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Rebels Advance On Broken City

Kisangani's Latest Calamity

By Howard W. French
New York Times Service

KISANGANI, Zaire — The old yacht club lies in ruins by the banks of the mighty Congo, just like the Hotel Leopold, the grand old palace where Humphrey Bogart stayed during the filming here of "The African Queen" in 1950.

Even the central post office, whose imposing size and thousands of rusting iron mailboxes recall an era of social energy and commerce, lies dark and abandoned. No one here seems to remember the last time any mail was delivered.

It is not hard to believe the tales that locals tell of this colonial city. Before the country gained independence from Belgium in 1960, it was reputed to have more Rolls-Royces per-capita than any city in the world.

What is sometimes difficult to fathom is how a society like the one that flourished around this remote river trading post, now a landscape of broken streets and abandoned shops, could have fallen so far so fast.

In the latest of many blows, the city is now the target of a rebellion backed by Zaire's eastern neighbors: Rwanda, Uganda and Burundi. Each day, reports of one town after another falling to rebels in Haut-Zaire Province heighten the sensation here of a noose drawing tighter.

[The Zairian Army said Friday that it had won a fierce battle with rebels for a key bridge on the main road to Kisangani, Reuters reported from Kinshasa. A senior Defense Ministry official said the army also was reinforcing Kisangani with 2,000 paratroopers.]

In his 1979 novel, "A Bend in the River," V.S. Naipaul described the crash of a city that is unmistakably Kisangani, calling it "a place where the future had come and gone." Through cycles of boom and bust, the future has come here many times, only to disappear, leaving the prospects of stability and progress ever more remote.

Kisangani, formerly Stanleyville, is situated at the

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Ute Radespiel/Agence France-Presse

PROTEST FLARES — Germans with torches staging a 93-kilometer-long protest Friday in the Ruhr to save coal miners' jobs. Bonn scheduled major economic talks. Page 2.

Global Phone Accord Comes Down to Wire

U.S. Holds Out for More in Pact To Open Up National Monopolies

By Edmund L. Andrews
New York Times Service

Negotiators meeting at the World Trade Organization in Geneva struggled Friday to reach a compromise on an end to the legal barriers that protect state-controlled telephone monopolies in many countries from competition.

The stakes are high, amounting to hundreds of billions of dollars of possible investment in the $600 billion telecommunications market worldwide and large savings for consumers resulting from increased choices in telephone service.

The world's biggest telecommunications companies are already racing to build their global presences and have formed several huge alliances. But the proposed trade agreement would open up new markets for such deals, committing countries covering about 91 percent of the world communications market to a broad program of liberalization.

Countries would be required to allow challengers into their telephone and satellite monopolies, and they would have to drop restrictions that prevent foreign companies from owning big stakes in domestic communications companies.

As a deadline of midnight Saturday neared, the power to forge or to kill an agreement remained almost exclusively with the United States, which was threatening to walk away from any pact unless it obtained additional concessions from Canada, Mexico and Japan. The question was whether American negotiators were simply pushing as hard as they could or whether they were indeed willing to kill an accord that almost every other country had deemed satisfactory.

The Clinton administration is under political pressure from Congress not to sign a tepid agreement, particularly one that might enshrine rather than eliminate important trade barriers. The acting U.S. trade representative, Charlene Barshefsky, is waiting for congressional confirmation to the post and has been warned by Republicans not to sign "an agreement for the sake of an agreement."

The primary battles center on letting foreign companies own controlling stakes in companies of other countries. Canada, the biggest U.S. trading partner, does not want to let foreign companies own more than 46.7 percent of any phone company operating within its borders.

Washington, which is offering to allow foreign companies the right to own stakes of up to 100 percent in U.S. telecommunications companies, has been insisting that Canada let foreigners own at least a controlling stake of 51 percent.

The issue is sensitive for Canada, where American media domination faces intense resentment. Though phone service is not a cultural issue, companies are increasingly pushing into cable television and other media services.

"When you get into 'cablevision,' you are close in the public mind to cultural-industry issues," said John Weekes, Canada's ambassador to the World Trade Organization.

"This touches a public nerve ending in Canada that is seen as being very sensitive."

As intense negotiations continued in Geneva, diplomats said they were optimistic about reaching a deal. Several countries under heavy pressure from the United States have begun to sweeten their proposals in the last few days. The latest was South Korea, which offered to let foreign companies own up to 49 percent of Korean telephone companies.

Besides the spat with Canada, diplomats said, Washington remained dissatisfied with the proposals by Japan and Mexico.

Japan does not want to let foreign companies own more than 20 percent of the two companies that have respective monopolies over domestic phone ser-

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Rape Shadows South Africa

Children Are Victims of Nation's Collapse Into Crime

By Lynne Duke
Washington Post Service

ORANGE FARM, South Africa — In this struggling community 25 miles south of Johannesburg, children have become prey.

A 15-year-old tells a local physician she is not sure of her parentage. She wonders if the man who says he is her father is telling the truth, " 'because every day he would come and climb on top of me and then beat me,' " said Dumiso Zulu, the doctor, recounting the girl's words.

A mother refuses to consider that the likely suspect responsible for the sores found on her 21-month-old baby is the child's father. "No, it can't be," she told Verina Sithole, a nurse, who laments: "You just become disturbed for the day if you see such a case."

A 12-year-old girl runs home crying one day after a seemingly nice neighborhood man invites her to visit him. It was a chillingly familiar scenario, reminiscent of the three months of abuse she endured two years ago when a local clergyman lured her with kindness and spare change, then repeatedly raped her and secured her silence with threats to kill her mother. Child rape — and rape in general — has emerged as the new South Africa's ugly secret, perhaps the most alarming aspect of a nationwide explosion of crime.

Nationwide, reported cases of child rape have increased dramatically in recent years, to 13,859 in 1996, from 10,037 in 1995, and 7,559 in 1994, according to national police statistics.

Overall, South Africa may have the highest rate of reported rape in the world, the police say. Based on total rape figures for the first eight months of 1996, South Africa's rate of 141 reported rapes per 100,000 females is almost double the U.S. rate for 1995 of 72 rapes per 100,000 females, according to law enforcement statistics from both countries. Child rapes account for about 38 percent of South Africa's total rape caseload.

Unlike their counterparts in the United States, where statisticians believe about 50 percent of rapes are reported, child abuse and law enforcement officials here believe only a small portion of the total incidents ever are reported, owing partly to poor record keeping and the bureaucratic chaos

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Lori Waselchuk/The Washington Post

Anna Mabena cradling her 12-year-old daughter, who said she was raped by a clergyman.

Korea Defector Poses Dilemma

Chinese and South Korean officials were unable Friday to end the diplomatic crisis caused by the defection of a senior North Korean official who has taken refuge in Seoul's embassy in Beijing.

China said, however, that the process toward resolving the dilemma had been set in motion after the 50-minute meeting between its foreign minister, Qian Qichen, and his South Korean counterpart, Yoo Chong Ha.

Still, a Chinese spokesman said, "I am afraid that this question cannot be resolved so rapidly as you hope, as you imagine." Page 5.

U.S. Doubtful Japanese Will Join Plan for Missile Defense

By Clifford Krauss
New York Times Service

WASHINGTON — After three years of exploratory talks, Clinton administration officials say Japan has all but decided against participating in a joint anti-missile defense project for fear of offending China and overspending scarce military resources.

Tokyo's hesitation is not surprising given the strained Japanese economy and Japan's reluctance to assert even defensive military power since the end of World War II.

But while U.S. officials say Japan's expected decision will have little or no impact on Japanese-American relations, it will come as a setback to the American defense companies that had hoped to supply Japan with hardware. And it will put added pressures on future U.S. defense budgeting for Asia.

Senior administration officials said that no Japanese decision would be announced for months, and that nothing will deter the United States from pressing ahead with its own plans to develop anti-missile defense systems to protect U.S. forces based in Japan from a possible North Korean or Chinese attack.

Discussions between Washington and Tokyo on how to merge technology, engineering talent and financing on what is called "theater missile defense" began shortly after North Korea targeted a buoy off Japan's Noto Peninsula and test-fired a Rodong 1 missile 300 miles (480 kilometers) into the Sea of Japan in 1993. A middle-level working group of Japanese and American defense planners have met nine times to discuss regional threats, deployment timetables and types of land-based and sea-based anti-ballistic weaponry.

A Japanese Foreign Ministry official who deals with U.S. affairs and who spoke on condition of anonymity, said the group would continue meeting until the summer, after which time the Japanese government would make a decision on what role to play in the project. "At this moment, we have not made any

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Diana Is Winning Royal PR Game

She Is Seen Caring About People

By Fred Barbash
Washington Post Service

LONDON — The biggest story about Queen Elizabeth II recently has been the government's decision — with her blessing — to spend $100 million on a new royal yacht. It went over badly with the public, say the polls, as people are already fed up with the cost of the monarchy.

The biggest story about Diana, Princess of Wales, meanwhile, was her recent trip to Angola, where she put on bluejeans — albeit with an Armani label — and comforted small children maimed by land mines, and spoke out in favor of banning the weapons. The press ate it up, with the BBC broadcasting a special documentary on her journey.

The highest-profile coverage during recent months of Prince Charles — heir to the throne and Diana's former husband — focused on his trip to Klosters, the Swiss ski resort. About the same time, Diana made the front pages with the news that she would allow part of her designer wardrobe to be auctioned off for the benefit of AIDS and cancer research. The clothes should fetch seven figures.

If the last few months serve as any guide, the public relations contest between Diana and the rest of Britain's royals will be no contest at all. Since her divorce last August, Diana has achieved rapid success at portraying herself as a woman who, above all, cares about others, as opposed to her former in-laws' image — fair or unfair — of caring about little more than themselves.

She is fast becoming a kind of alternative monarchy, which was just what the House of Windsor reportedly feared.

This is not a thought-out strategy, according to some who know her. She is said not to plan strategically. But she knows exactly what she's doing and what kind of impact she's having, these sources said. It is, said one, "the edge of a strategy."

Diana seems to manage her own public relations these days — with a little help from her friends. Reportedly because of her mercurial ways, she has lost two aides, including Jane Atkinson, a respected public relations professional.

The princess — no longer Her Royal Highness since the divorce — was in the news Wednesday for withdrawing her support from a charity fund-raising event because of its publicity literature, which juxtaposed photos of the royal family with shots of seminude models. She did not, she said, want to "cause offense to the royal family."

Charles also helps charities and takes on good causes, but he simply seems unable to command the attention she does. He and his parents, the queen and Prince Philip, were groomed for a largely vanished age of the monarchy. Diana was groomed for the age of the modern media. Moreover, she plays, by design or by instinct, to their weaknesses.

The queen is interested in expensive dogs and horses, Philip in hunting and yachts, and Charles in architecture and business. They are rarely portrayed showing an interest in individuals.

In a recent MORI public opinion poll, only 21 percent of those surveyed said they believed the royal family was "concerned about people in real need," and only 10 percent thought them "in touch with ordinary people."

In effect, Diana benefits from the perceived shortcomings and extravagances of the crown, although still wearing wildly expensive designer gowns for evenings. It did not hurt either that her Angola trip was paid for by its Red Cross sponsors.

Diana also has been doing better in the image department

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AGENDA

American Airlines Girds for Strike

American Airlines began winding down its operations Friday as a prelude to a strike by its 9,300 long-haul pilots.

American canceled its flights to Europe, except for those to London. Overall, 240 international and a dozen domestic flights were said to have been canceled.

About 200,000 passengers a day on 2,200 flights would be affected by a strike. American and its regional carrier, American Eagle, serve 233 cities in 47 countries. A spokeswoman said American would try to place passengers on other carriers.

The main issue in the dispute is the use of low-paid pilots to fly new jets being purchased by American Eagle in the United States. Page 7.

The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.6874	1.6843
Pound	1.622	1.6238
Yen	124.35	124.405
FF	5.6895	5.686

The Dow		
	Friday close	previous close
-33.48	6988.96	7022.44

S&P 500		
change	Friday @ 4 P.M.	previous close
-3.38	808.45	811.83

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Natasha Seeks Joe

In Russia, Matrimonial Agencies Targeted at American Men Thrive

By Alessandra Stanley
New York Times Service

MOSCOW — Michael, a 51-year-old chiropractor, looks earnestly into the camera as he explains how he built up a thriving business in Pennsylvania, then retired early to devote himself to tennis, ballroom dancing and the pursuit of a Russian bride.

And 7,000 miles across the sea, Russian women watching "The Lonely Hearts Club" stare hungrily as the camera pans to a wide shot of Michael's large, spare and spotless living room, his gleaming, fully equipped kitchen and the white BMW in his garage.

Michael is one of dozens of prosperous but lonely American bachelors who have put themselves — and their life styles — on display for single women in Russia.

He measures up well against the local competition.

"Our men treat women like objects," Irina Borodikhina, 30, a divorced hospital medic in Almaty, Kazakstan, complained after calling in to the show's hot line in Moscow. "They drink; they smoke; they have bad hygiene and care

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Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20

Waiting Game: Vancouver's Hong Kong Chinese Play for Time

By Anthony DePalma
New York Times Service

VANCOUVER, British Columbia — On Thursday nights in downtown Vancouver, the back room at the Victoria restaurant fills with Chinese women who have come to play mah-jongg, feast on delicacies like marinated jellyfish and show off jewels, cell phones and other gifts from their husbands, who are all back in Hong Kong.

The maitre d'hotel welcomes them warmly, knowing they will order the rarest dishes, and leave a big tip.

"They are astronauts' wives," he says. The men are called "astronauts" because they rocket back and forth to Hong Kong, where they still run businesses.

Even though they are rarely in Vancouver, most "astronauts" and their wives have managed to become Canadian citizens. Their passports are prized insurance policies that allow them to straddle both worlds. They can return to Hong Kong in the waning days of British rule, but can get out again if need be after the Chinese government takes over July 1.

"I've been here almost three years but I don't feel like a Canadian at all," said Betty, who did not want immigration officials to know her last name, or the name of her husband, because they do not yet have their passports. She was dining at the Victoria, but did not join the other women in mah-jongg, an ancient game like dominoes, because she finds their display of wealth vulgar.

Besides, she does not expect to be in Vancouver much longer. Like many of the 110,000 Hong Kong Chinese who came here over the last decade to escape the uncertainty in Hong Kong, Betty now dreams of going back, once she has the protection of a Canadian passport.

With less than five months to go before the Union Jack is lowered for the last time in Hong Kong, what had seemed to be a massive and transforming settlement of new Canadians has turned out to be something altogether different.

For many Hong Kong Chinese, Vancouver is less a new home than a way station where they can safely keep their families and wealth while they wait to see what becomes of the island.

Of course, the trip out of Hong Kong was one-way for many exiles, and they are happily settled in Vancouver. But among the wealthiest immigrants,

See VANCOUVER, Page 3

The Cost of NATO Expansion? Washington Is Aiming Very Low

By Joseph Fitchett
International Herald Tribune

PARIS — The United States plans only minimal extra military spending when NATO expands into central Europe — a message that Secretary of State Madeleine Albright will take to Moscow next week as tangible evidence that enlargement of the alliance poses no security threat to Russia.

In its first official cost estimate, the Clinton administration has concluded that plans to take in new members would probably cost the United States only about $150 million to $200 million a year for the next 15 years, officials said Friday after seeing a draft report of the price tag.

The low level of financing — "peanuts" in military spending, a Defense Department official commented — offers the clearest indication yet that NATO's blueprint does not include any significant shift of forces or new military infrastrucure on the territory of the main candidates for membership: Poland, Hungary and the Czech Republic.

While a State Department official conceded that Washington seemed to be "lowballing" the cost in an effort to ease concerns in Congress and reassure Moscow, an official at NATO headquarters in Brussels described the proposed spending level as "common sense."

"We don't see any threat out there and we see plenty of warning time, so it would make sense to tailor the spending to levels that can be borne by our diplomacy and by the U.S. taxpayer," he said.

The planned U.S. expenditure implies only modest, gradual improvements in new member states' armed forces, mainly in the form of improved communications so that their command centers, aircraft and ground troops can cooperate effectively with NATO operations.

New members could decide to invest in stronger forces on their own, but they are unlikely to do so until their economies stabilize. NATO itself has not yet worked out ideal force postures for candidates or discussed cost-sharing terms.

The U.S. figures foreshadow little early change in combat capabilities: instead, they suggested that new members will be encouraged to focus on getting their armed forces ready for full roles in future NATO-led peacekeeping, said an official at allied headquarters in Brussels.

"They need English teaching more urgently than new fighter wings," he said.

The proposed spending levels appeared to confirm U.S. statements that the alliance does not plan to construct major headquarters or garrisons for allied forces on new member states' territory — investments that would have moved the old NATO front line eastward.

The U.S. cost figures should go some way toward answering Russian objections that NATO enlargement is "aimed at Russia" and reinforcing the Western presentation of enlargement as a step toward a new system of European security that includes a special place for Russia.

The U.S. figures — technically, still in draft — are only a guideline, but they apparently carry enough political importance for Clinton administration policy makers to have withheld them from publication this week.

Mrs. Albright will present them to allied governments next week in Brussels roughly at the same time they are released to Congress and then use them as a centerpiece in talks Thursday and Friday in Moscow.

The cost figures are likely to sharpen debate. For example, a German diplomat said that Bonn "would have preferred no figures at all because enlargement is a political decision, so the economics will have to follow." Other diplomats said Bonn was also concerned that the U.S. figures could stir dispute if they were seen in Moscow as unreliable or viewed in some candidate states as an implicit ceiling on military spending.

But the U.S. figures are an indicator of broad military thinking among Western governments, and they imply an overall outlay by the alliance, including current members and new ones, of roughly $20 billion in the coming decade.

Kohl Presses for Tax Reform

Leader Schedules Rare Meeting With Lafontaine

By John Schmid
International Herald Tribune

FRANKFURT — Reasserting his leadership on a make-or-break issue for the German economy and the government, Chancellor Helmut Kohl agreed Friday to meet with the opposition Social Democrat leader, Oskar Lafontaine, to coordinate plans to overhaul the tax system.

The search for compromise underscores how urgently Mr. Kohl wants tax reform to succeed.

The talks on Feb. 24 will be the first time Mr. Kohl will formally meet with the opposition since he began to impose a series of unpopular austerity measures a year ago over the objections of the Social Democrats and the unions.

Tax reform, aimed at cutting rates to attract new business and create jobs, ranks as the government's highest domestic priority.

The number of German unemployed stands at a 64-year high of 4.66 million, which makes Mr. Kohl's goal of cutting the jobless total in half by 2000 appear implausible and his need for a solution more urgent.

The proposals to slash income tax and corporate tax rates by 30 billion Deutsche marks ($17.8 billion) also stands at the centerpiece of Mr. Kohl's re-election plan for next year, if he decides to run.

If the center-right coalition can negotiate an early compromise with the opposition on the left, it increases the chances that tax reform can wend its way through both houses of Parliament without being gutted.

Mr. Lafontaine has been one of the most vocal critics of the tax plan and his party controls a blocking majority in the Bundesrat, the upper chamber that must approve any changes in Germany's tax code.

Mr. Kohl's leadership has come under attack since the government announced its tax reform plans last month.

Those plans envisage levies on old-age pensions and on exempt bonuses for overtime and weekend work that have been exempt as well as the end of popular loopholes and writeoffs.

Fighting has broken out in his own coalition over issues relating to reforms of the tax and social security systems and over rising deficits.

The government has proposed reducing the lowest income tax level from its present 25.9 percent "toward 20 percent" and lowering the highest level from 53 percent to under 50 percent in 1998.

Further reductions in taxes are planned for 1999, officials said.

Dimitri Messinis/The Associated Press

HORSE-DRAWN PROTEST — Albanians, one holding a portrait of a slain demonstrator, shouting anti-government slogans Friday in the port of Vlore, where thousands continued to protest over their losses in an investment scheme.

GIs in Germany Claim Sex Abuse

By Alan Cowell
New York Times Service

BONN — Already smarting from allegations of sexual misconduct by soldiers back home, the United States Army acknowledged Friday that three male training instructors had been suspended from duties and two of them detained after complaints by 11 women soldiers of sexual mistreatment at a base in Germany.

A statement from the 233d Base Support Battalion at Darmstadt, south of Frankfurt, also said an investigation by the Army Criminal Investigation Division had been instituted following the "determination of possible criminal activities" by an unidentified officer initially entrusted with inquiries into the complaints.

The allegations against the male instructors include rape, forced sodomy, indecent assault, cruelty and maltreatment of subordinates, the statement said.

The scandal was the first reported from American bases in Germany since similar allegations began to surface last fall in the United States. Last Monday, the army suspended its highest-ranking enlisted soldier, Gene McKinney, the sergeant major of the army, pending an investigation into allegations of sexual assault and harassment.

In Germany, the misconduct is said to have taken place at the Inprocessing Training Center in Darmstadt, an orientation unit where all soldiers assigned to the 233d Base Support Battalion and other units in the area routinely attend a two-week course.

The incidents are alleged to have taken place between mid-November, when a female soldier assigned to the 22d Signal Brigade made the first complaint of sexual misconduct, and mid-January, when the army first began to investigate the allegations.

The male personnel accused of abusing the female soldiers were sergeants assigned to the training unit on six-month rotation, military officials said.

The criminal investigation began Feb. 7. About 70 people have been questioned.

Three instructors were initially suspended from duty and two of them were placed in pretrial confinement after allegations that they "contacted a victim in an attempt to influence her testimony," the statement said.

The army sought to depict the incidents as isolated.

"We do not know of any inappropriate conduct in a systematic pattern over time at Darmstadt," said Colonel Michael Sullivan, the chief army spokesman in Europe.

The statement from the 233d Base Support Battalion said:

"It is important to note that the suspects are presumed innocent unless proven guilty at a court-martial. It is equally important to note that no charges have been filed as yet."

No details of the alleged incidents have been released by the army.

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BRIEFLY

Yeltsin Makes Radio Address

MOSCOW — Boris Yeltsin made his first broadcast speech of the year Friday and outlined a busy work schedule ahead, hoping to convince skeptical Russians the worst of his health problems are over.

The opposition was not impressed: the Communist Party leader, Gennadi Zyuganov, called the president "a helpless and seriously ill person."

The 66-year-old Russian leader spoke smoothly but sounded less energetic than when he won re-election last summer.

He ordered his government to draft a treaty aimed at keeping Chechnya a part of Russia, promised not to scale back Russians' pension payments and said it would be "reckless" to amend the constitution. *(AP)*

Strike Damage 'Grave' in Spain

MADRID — Spain's government said Friday a nine-day-old truckers' strike was inflicting "grave damage" on the economy.

Development Minister Rafael Arias Salgado also pledged the government would guarantee unimpeded travel on its roads. *(Reuters)*

Pope Backs Anti-Abortion Move

ROME — Pope John Paul II threw his support on Friday behind moves to give embryos a legal status defending them from abortion.

"How can we forget that our era unfortunately is living through an unheard of and almost unimaginable massacre of innocent humans, which many states have upheld with laws?" he said. *(Reuters)*

EU Bans Export of Dutch Pigs

BRUSSELS — The European Commission on Friday banned the export of pigs from most of the Netherlands to counter a widening outbreak of swine fever, an EU agricultural official said.

The ban takes effect immediately.

It prohibits exports of live pig exports from certain districts in the Netherlands — Amsterdam, Rotterdam, Breda, Weert, Nijmegen, Apeldoorn and Doetinchem, the official said. *(AP)*

French Intellectuals Take On the National Front

By Barry James
International Herald Tribune

PARIS — Rene Guiffrey, a sculptor, learned by chance recently that the City Council of Toulon, which is run by the extreme-right National Front, had destroyed an abstract fountain he completed for the city a couple of years ago.

So when hundreds of artists, actors and writers descended on the city this week to protest what they describe as the National Front's assault on contemporary forms of expression, Mr. Guiffrey was there with them.

"Arno Brecker is back in fashion," said Mr. Guiffrey, referring to the sculptor admired by Hitler.

The Toulon demonstration was intended in particular as a gesture of support for Gerard Paquet, director of the Chateauvallon Festival just outside Toulon, a haven for experimental jazz, theater and dance.

Mr. Paquet was removed from his position on Feb. 1, and the City Council is seeking to have the festival shut down. Whether or not it succeeds will be decided at a court hearing late next month — a delay that could drive the theater into bankruptcy.

Last weekend, the anti-immigrant National Front won control of a fourth town in southern France, Vitrolles. It is using its victories in the south as a springboard to win Parliament seats in legislative elections next March.

In a related development, nearly 180 French writers have told the government that they will flout a proposed law tightening up requirements for citizens to report the arrival or departure of foreign guests. It is already illegal to house foreigners who do not have residence permits or visitors' visas.

The writers acted after a French woman, Jacqueline Deltombe, was convicted for allowing a Zairian friend to stay in her home. They said they should also be prosecuted for having given similar hospitality to foreigners. Other petitions were signed by film directors and other cinema professionals, actors, teachers, university staff, musicians, artists and journalists.

Some intellectuals have drawn a parallel between the proposed requirement to report foreigners and the 1941 law passed by the pro-Nazi Vichy regime requiring citizens to inform the police if they gave hospitality to Jews.

Mr. Guiffrey, who won a nationwide contest to build the fountain as the architectural centerpiece of a new quarter in Toulon, described the city's razing of the looming sculpture as an act of cultural philistinism. He said the mayor of Toulon, Jean-Marie Le Chevallier, had told him that the work was a target for vandals and was too expensive to keep clean.

National Front officials insist they have the support of local voters, even they say disapprove of hip-hop festivals at Chateauvallon, for example, like one last year that resulted in a prison sentence for two rap stars for a song that insulted the police.

Mr. Paquet, like many others, sees the Front's cultural policy as an important factor in its campaign to win power across the nation.

"The National Front has understood something essential," he told the magazine L'Evenement du Jeudi. "It is first of all necessary to win the battle of ideas."

Last year, Mr. Le Chevallier quashed an award at the Toulon Book Fair to the Jewish writer Marek Halter and gave it instead to the actress Brigitte Bardot, whose husband is a National Front member.

"Halter has an internationalist vision, whereas we are for family and nation," the mayor said.

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8612 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service. 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa. Sun. 11; **VENICE:** St Hugh's, 22, av. Résistance, 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

MUNICH

INTERNATIONAL COMMUNITY CHURCH. Evangelical Bible Believing services in English 4:30 p.m. Sundays at Enhuberstr. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School, 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info, call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Porte-la-Défense, 6 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 39 04 08. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6:30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 56; Metro: Charles de Gaulle - Etoile.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel: 3400-0047, Worship Service: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel: +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63, near Kreuzplatz. Services conducted in English. Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching). Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 322 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.88.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3660.

BUDAPEST

I.B.C., meets at Morics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 668 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 65150 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries. Pastor M.Levey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549589.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcamplaan 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier. English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 86.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 19:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1585.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/95631066 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery, International, all denominations welcome. Dorotheergasse 16, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

TRAVEL UPDATE

No Deal on French Transport Strike

PARIS (AP) — Talks between union leaders and transport authorities failed to bring an agreement Friday, leading two of the three main unions to call for a continuation of strikes that have all but halted public transit in 12 cities in the French provinces.

Transport authorities offered to reduce the workweek to 36.5 hours from 39 hours, according to participants in negotiations at the Ministry of Transportation. There was no word on whether the proposal included a pay cut.

The U.S. Navy and Air Force will issue new orders for military training flights in two large areas off the Atlantic Coast where two civilian pilots complained about the actions of F-16 fighter pilots last week. Military pilots would be required to keep a distance of five miles horizontally and 5,000 feet vertically from any civilian airliner. *(WP)*

The South African tourist industry boomed in 1996, with more than 4.7 million foreigners visiting the country despite its reputation for violent crime, Tourism Minister Pallo Jordan said Friday. *(AFP)*

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

North America
Cold across the Great Lakes and Northeast through Monday, then turning milder, as mild air shifts eastward from the Rockies Sunday into the Plains Monday. A bit of wet weather is expected in the West Sunday and Monday, mainly in the north. Meanwhile, mainly dry weather in the East.

Europe
Very windy and wet weather will overspread London, Paris and Amsterdam Sunday and continue into next week. A cold shot will affect Scandinavia and northwest Europe Sunday, before shifting into western Russia Monday. Spain and Portugal will stay mainly dry and mild.

Asia
Mainly dry in Beijing and Seoul with near- to below-normal temperatures. Much of Japan will be mild Sunday, then turning cooler next week; a major storm will move across northern Japan Sunday. Damp across Taiwan and southern China. Typically warm in Singapore with a thunderstorm each day.

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	17/62	8/46 s	16/61	8/46 po
Amsterdam	7/44	1/34 c	6/43	2/35 c
Antalya	7/44	-1/31 c	8/46	2/35 c
Athens	16/61	11/52 s	16/61	12/53 c
Barcelona	13/55	1/34 s	12/53	6/43 pc
Belgrade	9/48	-2/29 r	0/32	-7/20 sn
Berlin	5/41	1/34 c	-1/31	-5/24 c
Brussels	6/43	1/34 pc	7/44	2/37 c
Budapest	2/36	-4/25 c	-1/31	-8/18 po
Copenhagen	-2/29	-8/18 sn	-4/25	-7/20 s
Costa Del Sol	18/64	8/46 s	18/64	8/46 s
Dublin	7/44	7/44 pc	10/50	6/43 r
Edinburgh	6/43	4/39 c	8/46	6/43 r
Florence	14/57	1/34 sh	9/48	2/36 s
Frankfurt	3/37	-7/20 c	1/34	-6/22 pc
Geneva	5/41	-3/27 sh	4/39	0/32 c
Helsinki	-12/11	-18/0 c	-12/11	-16/4 c
Istanbul	14/57	6/43 pc	15/61	8/46 sh
Las Palmas	21/70	15/59 pc	21/70	14/57 po
Lisbon	15/59	8/46 s	14/57	7/44 c
London	9/48	3/37 po	9/48	5/41 sh
Madrid	18/61	5/41 s	18/64	4/39 s
Mallorca	13/55	2/35 s	10/50	7/44 pc
Milan	8/46	-4/25 c	7/44	-1/31 pc
Moscow	1/34	-2/29 sn	-1/31	-14/7 c
Munich	3/37	-4/25 c	2/35	-4/25 c
Nice	15/59	2/35 pc	12/53	6/43 pc
Oslo	-6/22	-12/11 pc	-3/27	-10/14 s
Paris	8/46	2/35 pc	8/46	2/35 pc
Prague	2/35	-3/27 sf	1/34	-4/25 sn
Reykjavik	1/34	1/34 s	6/43	3/37 c
Rome	16/61	6/43 sh	13/55	3/37 pc
St. Petersburg	-8/18	-14/7 pc	-11/13	-14/7 sn
Stockholm	-8/18	-13/9 c	-7/20	-11/13 pc
Strasbourg	5/41	-3/27 c	3/37	0/32 c
Tallinn	-13/9	-17/2 c	-13/9	-14/7 c
Venice	9/48	-2/29 sh	7/44	-1/31 pc
Vienna	6/43	1/34 po	5/36	-4/25 po
Warsaw	4/39	-2/29 sh	-3/27	-11/13 pc
Zurich	3/37	-4/25 sn	1/34	-1/31 c

Middle East

Abu Dhabi	24/75	12/53 s	24/75	11/52 s
Beirut	15/61	12/53 sh	18/64	14/57 pc
Cairo	18/64	9/48 s	22/71	10/50 s
Damascus	13/55	3/37 s	17/62	6/43 s
Jerusalem	13/55	4/39 s	16/61	5/41 s
Luxor	23/73	3/37 s	27/80	7/44 s
Riyadh	21/70	8/46 pc	22/71	8/46 s

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bali	33/91	23/73 po	33/91	23/73 po
Bangkok	32/89	23/73 pc	32/89	24/75 pc
Beijing	1/34	-6/18 s	1/34	-6/18 s
Bombay	32/89	15/61 s	30/86	17/63 s
Calcutta	29/84	18/61 s	29/82	15/59 s
Chiang Mai	32/89	21/70 pc	32/89	23/73 pc
Colombo	29/84	22/71 pc	30/86	21/70 pc
Hanoi	20/68	18/61 c	21/70	19/63 sh
Ho Chi Minh	34/93	23/73 pc	33/91	23/73 pc
Hong Kong	18/64	14/57 c	18/64	14/57 sh
Islamabad	18/64	1/34 s	17/62	2/35 s
Jakarta	30/86	23/73 pc	30/86	23/73 pc
Karachi	27/80	11/52 s	29/79	13/55 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 pc
K. Kinabalu	29/84	24/75 t	29/84	23/73 c
Manila	29/84	23/73 t	31/88	21/70 pc
New Delhi	24/75	9/48 s	24/75	7/44 s
Phnom Penh	33/91	22/71 pc	31/88	22/71 t
Phuket	32/89	23/73 pc	32/89	24/75 pc
Rangoon	32/89	22/71 pc	33/91	24/75 pc
Seoul	3/37	-7/20 sn	4/39	-6/22 s
Shanghai	9/48	2/35 sh	8/46	-2/29 pc
Singapore	29/84	24/75 t	29/84	23/73 t
Taipei	24/75	17/62 c	19/64	12/53 sh
Tokyo	13/55	3/37 pc	14/57	4/39 r
Vientiane	30/86	19/61 c	21/70	19/63 sh

Africa

Algiers	17/62	4/39 pc	16/61	6/43 s
Cape Town	29/73	14/57 s	21/70	10/50 pc
Casablanca	16/64	8/46 pc	13/55	6/43 s
Nairobi	29/84	11/52 s	31/88	11/52 s
Lagos	30/86	23/73 s	31/88	23/73 sf
Nairobi	29/84	11/52 s	31/88	11/52 s
Tunis	18/64	8/46 po	12/53	6/43 pc

North America

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Anchorage	3/35	-4/25 sf	2/35	-7/20 sn
Atlanta	10/50	0/32 pc	10/50	-3/27 pc
Boston	4/39	-6/22 r	2/35	-5/16 sf
Chicago	-1/31	-11/13 c	-4/25	-12/11 sn
Dallas	12/53	-1/31 s	13/55	1/34 s
Denver	7/44	-7/20 pc	9/48	-4/25 pc
Detroit	0/32	-12/11 c	-6/22	-14/7 sn
Honolulu	25/82	20/68 s	27/80	19/66 pc
Houston	17/62	2/35 s	16/61	2/35 pc
Los Angeles	27/80	8/46 s	29/79	9/48 pc
Miami	25/82	19/66 t	24/75	14/57 c
Minneapolis	-9/16	-17/2 sn	-8/16	-12/11 s
Montreal	-2/29	-16/4 c	-13/9	-24/-11 pc
Nassau	29/82	19/66 pc	29/82	19/66 pc
New York	6/43	-3/27 r	2/35	-6/22 sf
Orlando	22/71	12/53 t	20/68	8/46 pc
Phoenix	26/79	10/50 s	25/79	11/52 pc
San Fran.	18/64	8/46 s	17/62	8/46 pc
Seattle	10/50	7/44 sh	11/52	8/46 c
Toronto	-5/24	-17/2 c	-1/47	-23/-9 sf
Vancouver	10/50	4/39 sh	12/53	5/41 pc
Washington	8/46	-3/27 pc	3/37	-4/25 sf

Latin America

Buenos Aires	23/84	18/66 po	23/84	18/64 pc
Caracas	28/82	21/70 pc	28/82	23/71 pc
Lima	28/82	21/70 pc	28/82	21/70 t
Mexico City	21/70	4/39 pc	19/66	5/41 pc
Rio de Janeiro	32/89	24/75 pc	27/80	21/70 pc
Santiago	27/80	14/57 sh	29/84	11/52 pc

Oceania

Auckland	22/71	14/57 s	22/71	14/57 s
Sydney	28/79	22/73 c	28/79	21/70 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Rio, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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هكذا من الاصل

Clinton Backs Investigation Of China's Tie To Donations

A Strike at Child

VANCOUVER:

هكذا من الأصل

Clinton Backs Investigation Of China's Tie To Donations

By Susan Schmidt
Washington Post Service

WASHINGTON — President Bill Clinton says he supports a vigorous investigation into accusations that the Chinese government may have directed donations to the Democratic National Committee.

Mr. Clinton said that he was unaware of the Justice Department's foreign counterintelligence investigation into activities at the Chinese Embassy here, which were reported in The Washington Post. The president said the accusations must be "thoroughly investigated."

"Obviously it would be a very serious matter for the United States if any country were to attempt to funnel funds to one of our political parties, for any reason whatever," Mr. Clinton said Thursday.

The Post reported that a Justice Department task force looking into campaign fund-raising abuses had uncovered evidence through electronic eavesdropping that representatives of the Chinese government sought to direct funds from foreign sources to the Democratic National Committee before the 1996 presidential campaign.

The embassy has denied any improper efforts to influence the administration.

The deputy attorney general, Jamie Gorelick, declined to comment on the assertions. The information about possible Chinese involvement in U.S. campaign politics prompted renewed calls for Attorney General Janet Reno to seek to replace the Justice Department task force with an independent counsel to investigate fund-raising abuses.

■ 52 Subpoenas Issued

Stephen Labaton of The New York Times reported:

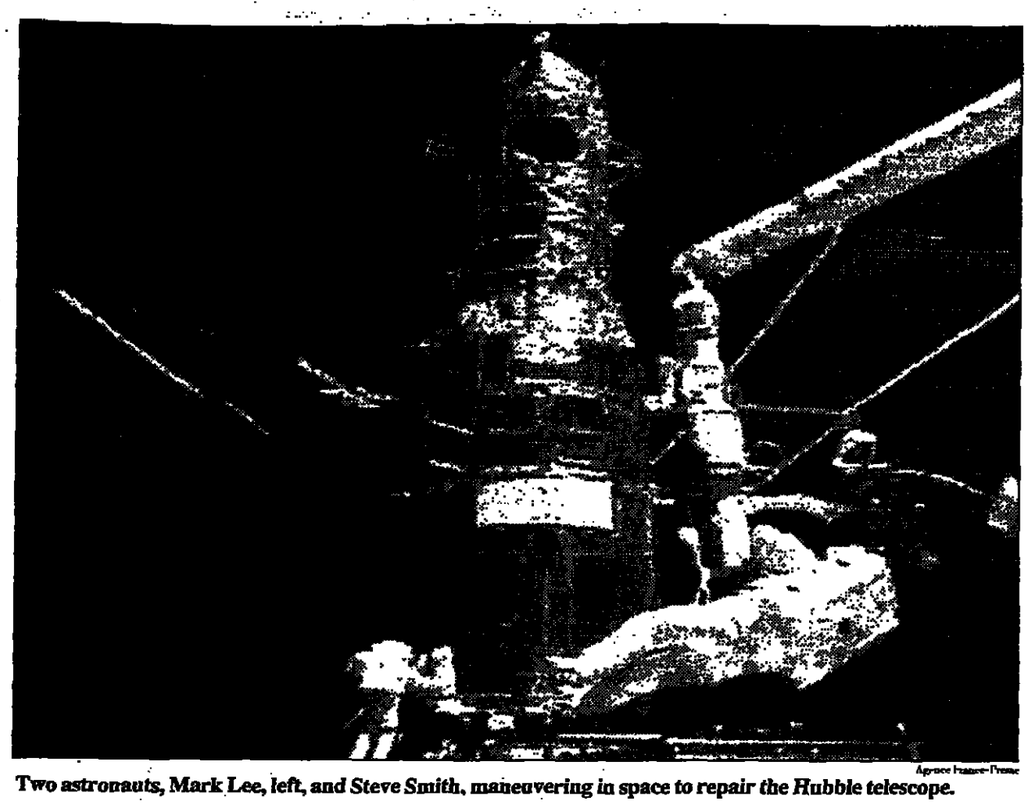
The Senate Governmental Affairs Committee began Thursday its examination of questionable campaign finance practices, issuing 52 subpoenas for documents held by a group of American and Asian contributors and fund-raisers as well as federal agencies with whom they had contact.

The votes approving the orders followed bitter partisan bickering, with several committee members saying they could not recall such wrangling over the relatively straightforward issue of subpoenas.

Eight of the subpoenas were approved over the objections of the committee's seven Democrats.

Republicans, who control the committee, said the votes were needed to begin collecting documents for a complex investigation that could take many months. They accused the Democrats of engaging in delay and distraction.

The Democrats countered that the Republicans had set up a one-sided inquiry that would overlook Republican campaign excesses and focus exclusively on problems in Democratic fund-raising efforts.



Agence France-Presse

Two astronauts, Mark Lee, left, and Steve Smith, maneuvering in space to repair the Hubble telescope.

Hubble Is Given a New Pair of Eyes

In Space Walk, Telescope Is Outfitted With More Powerful Instruments

The Associated Press

SPACE CENTER, Houston — U.S. astronauts Friday outfitted the aging Hubble Space Telescope with two powerful new eyes to enhance its view of the universe.

The astronauts, Mark Lee and Steven Smith, removed two scientific instruments from the Hubble and replaced them with two more powerful and advanced components.

The space walk lasted nearly seven hours. It was prolonged a few minutes when the astronauts encountered difficulty tightening two latching bolts on the door to the instrument compartment.

The two new components passed initial tests. They will be put to use after an alignment period lasting weeks.

"You accomplished absolutely everything in the timeline," Mission Control's Jeff Hoffman told the spacewalkers. He called the successful mission "a great way to start."

"From an astronomical point of view it is almost impossible to imagine the Hubble Space Telescope being any better than it has been the last three years," he said. "You guys have made it so."

The instrument swap was the primary focus of the 10-day mission of the space shuttle Discovery. On Wednesday, the astronauts pulled the telescope, which had been orbiting Earth for seven years and has logged nearly a billion miles, into the cargo bay and placed it on a rotating platform.

Three consecutive nights of space walks are still required to upgrade nine other Hubble parts.

One of the new instruments, a spectrograph, will allow the Hubble to make two-dimensional observations. And with a new generation electronic light sensor it will be able to look for faint companions of very bright stars — possibly planets.

The other instrument, a near-infrared camera and spectrometer, will give astronomers their first clear view of the universe at wavelengths that cannot be seen with the human eye.

The service call, the second in a series of at least four, was scheduled before the Hubble was put in space in 1990. The first visit, three years ago, was more urgent: astronauts had to install corrective lenses.

Mr. Lee and Mr. Smith disconnected the old spectrograph, an instrument 7 feet (2.13 meters) high, 3 feet (91.44 centimeters) wide and deep. Mr. Smith then carried the 700 pound (320 kilograms) instrument while the crane swung him over to the container in which it will be brought back to Earth. They repeated the procedure with the other science instrument.

New Ecuador Leader Fires Predecessor's Hires

Agence France-Presse

QUITO, Ecuador — In his first act as Ecuador's new president, Fabian Alarcon dismissed thousands of civil servants who had been recruited under his deposed predecessor.

Mr. Alarcon, who was elected Tuesday by the National Congress to replace Abdala Bucaram, on Thursday ordered the dismissal of about 6,000 workers who had been hired under Mr. Bucaram and the rehiring of about 3,000 people who had been dismissed during his rule.

One of the fired employees, Rosa Oliveros, refused to leave her Quito office quietly Thursday.

"You can't do this to me," she cried as others calling her a Bucaram supporter tried to get her to leave her desk. "I have a sick husband and three children to feed."

Mr. Bucaram was ousted from the presidency by Congress a week ago in a vote that accused him of corruption and nepotism and that ruled him "insane" and unfit to govern.

Mr. Alarcon on Thursday also appointed four new cabinet ministers — defense, finance, health and public works. He named two other ministers, of government and the presidency, at his inauguration.

POLITICAL NOTES

Clinton Pushes Lake

WASHINGTON — President Bill Clinton has made a strong plea for the Senate to end its delays and confirm Anthony Lake as the next CIA director, describing his nominee as "superbly qualified" and the architect of peace in Bosnia.

Softly but intently pounding his fist on a lectern during a news conference, Mr. Clinton seemed irritated and impatient with the latest postponement of a hearing for Mr. Lake, who has come under scrutiny by Senate Republicans because of his personal finances and his conduct as the president's national security adviser in his first term.

"If someone has some reason to oppose him, let them oppose him in a hearing and then in a vote on the floor," Mr. Clinton challenged Republican senators. But in view of Mr. Lake's service to the country, the president added, "He deserves a hearing and a vote on the floor of the Senate — and I hope he will get it."

Mr. Clinton clearly wanted to dispel any perception that he was not committed to Mr. Lake's nomination, despite the impression shared even by some within his own administration that Mr. Lake was tapped for the CIA mainly to make way for new blood at the National Security Council. *(WP)*

Deficit Differences

WASHINGTON — The nonpartisan Congressional Budget Office says that President Bill Clinton's budget plan would leave the federal government with a deficit of at least $49 billion in 2002 instead of the $17 billion surplus the White House projects.

The budget office's estimate Thursday was in line with those issued by Republicans last week, and illustrates the gap between what the White House says must be done to balance the budget and what Republicans insist is necessary.

June O'Neill, the budget office's director, said its deficit estimate was based on a comparison of the administration's projected savings in 2002, from spending cuts and revenue increases, against the budget office's projection of what the deficit would be if current spending and taxation policies continued unchanged.

The administration says its proposals would save $118 billion in 2002. Without those savings, the administration says, the deficit that year would be $101 billion; but the budget office says it would be much higher, $167 billion. *(NYT)*

Outcry on Welfare

WASHINGTON — Clinton administration officials have pleaded with Congress to restore welfare benefits for legal immigrants who have not become citizens. But President Bill Clinton came under blistering criticism from liberal Democrats, who said he should never have signed the bill that ended such benefits.

"The president sold out children to get re-elected," Representative Pete Stark, Democrat of California, said Thursday. "He's no better than the Republicans."

At a hearing of a House Ways and Means subcommittee, Mr. Stark said that Mr. Clinton should not expect much support for his proposals to soften the effects of the new law.

The liberals' scorn for the administration, combined with the reluctance of Republicans to increase federal spending for noncitizens, suggests that Congress may reject many of Mr. Clinton's proposals.

But it is possible that sentiment on Capitol Hill may change if there is a outcry when elderly and disabled immigrants actually lose benefits in a few months.

"One of our greatest fears," said Sharon Daly of Catholic Charities, "is that the United States will have a rash of suicides among the very old and disabled immigrants who are left without any source of income or medical care." *(NYT)*

Quote/Unquote

Nicholas Burns, the State Department spokesman, announcing the creation of an e-mail address (secretary@state.gov) for Secretary of State Madeleine Albright: "I cannot guarantee she's going to personally sit at home every night and answer every e-mail message, but I can guarantee people who do send messages to her that they will get a response from the State Department." *(IHT)*

Away From Politics

• **Thousands of children get sick each year eating cigarettes,** the federal Centers for Disease Control and Prevention reported. Eighty-one percent of the 9,733 people who ate tobacco products in 1995 were children ages 6 and under, the agency said. Of those 9,733, 47 percent got sick. *(AP)*

• **A fire started by homeless men to keep warm** engulfed their cardboard shelter under a Brighton Beach boardwalk in New York, killing three men and severely burning a fourth. *(AP)*

• **The U.S. Postal Service is steering clear of the pack-and-send business,** which underwent testing at 260 of the post office's 40,000 outlets. It drew heated complaints from private businesses that offer similar services of wrapping and sending parcels for customers. *(AP)*

• **Eighteen trustees of Adelphi University** have stepped down, saying that they feared "possibly fatal damage to this institution" if they continued a fight for control of the university in Garden City, New York. They were ousted by the state Board of Regents on grounds of misconduct and neglect of duty but had won a court order temporarily blocking their removal. *(NYT)*

A Strike at Child Labor on Soccer Balls

By Steven Greenhouse
New York Times Service

NEW YORK — In a plan intended to fight child labor, a coalition of major sporting goods manufacturers and child-advocacy groups has pledged to combat the sale of soccer balls that are stitched by thousands of children in Pakistan, which produces 75 percent of the world's hand-stitched soccer balls.

Close to 10,000 Pakistani children under the age of 14 work up to 10 hours a day stitching the leather balls, often for the equivalent of $1.20 a day. The goal of the program is to wipe out child labor in the industry in Pakistan within 18 months.

The effort sets up a $1 million fund that will pay for independent monitors to inspect ball-making sites and for efforts to educate children, some as young as 6, whose impoverished parents pushed them into stitching balls rather than going to school.

The program represents the first time that all the major manufacturers in an industry have joined with local contractors and children's groups, including Save the Children and Unicef, to eliminate child labor.

But some children's rights advocates wonder how far $1 million will go in helping the thousands of children who might lose their jobs.

The sports equipment manufacturers pledged not to sell balls made by children after being embarrassed by news reports and pressed by thousands of soccer-playing children and their parents in North America and Europe, who wrote letters and signed petitions voicing concern that they were playing with such equipment. Last September FIFA, the international soccer federation, said it would not endorse soccer balls unless manufacturers certified they were not made by children.

The soccer-ball industry in Pakistan is concentrated in the Sialkot region of Punjab Province, where children learn from an early age the art of stitching hexagonal pieces of leather into balls.

Jeff Ballinger, director of Press for Change, a labor rights group, said: "The soccer-ball industry is so concentrated in the Sialkot region and child labor is such a hot-button issue that they should be pretty successful in policing it there. But it's possible it could spread to other places in Pakistan, or even other countries."

The agreement calls for soccer-ball companies to register the names of all contractors, individual workers and work locations to make it easier for monitors to ferret out child labor.

The Human Rights Commission of Pakistan estimates that children make 10 to 20 percent of all soccer balls produced in Pakistan. According to industry officials, children are paid 60 cents on average for each soccer ball they stitch, usually at the rate of about two balls a day, while adults earn a little more per ball.

Companies taking part in the plan include Adidas, Reebok, Nike, Umbro, Mitre, Brine and 50 others. The companies said the plan might push up the price of soccer balls slightly.

VANCOUVER: *Chinatown*

Continued from Page 1

the only roots many have put down are in the billions of dollars they have pumped into the local economy. And the tentative nature of their residency here has led to friction and resentment.

Canada had seemed an ideal refuge to Hong Kong's upper class because it did not require immigrants to declare wealth they held outside Canada, leaving traditionally secretive Chinese families to spread out their fortunes. But a new law scheduled to go into effect next year would force Canadians, including landed immigrants, to report all accounts, shares and property in excess of $75,000.

Recently, there have been reports of Hong Kong immigrants being grilled on arrival at Vancouver's airport. This may be a sign that the government is under pressure from disillusioned Canadians who feel that Vancouver has not benefited as much from the immigrants as was promised.

But even though they may now be getting a chillier reception, more than 10,000 Hong Kong immigrants still came to Canada last year, continuing what has surely been one of the most unusual immigrant movements in North American history.

Part of what makes the exodus from Hong Kong to Vancouver stand apart is the reversal of roles it has triggered. After the Tiananmen Square killings in 1989, panic over the coming takeover by the Chinese sent many Hong Kong families packing. They became rich overnight when they sold tiny apartments in Hong Kong for well over $1 million.

In Vancouver, local residents who had considered themselves well off suddenly realized that with the arrival of the newly rich Hong Kong immigrants, and the sky high real estate prices they triggered, their own economic standing had dropped to middle class.

"Immigration is O.K. when someone comes over to work as a domestic or in a laundry because the local people can feel superior to them," said Jack Austin, a senator for British Columbia. "But it's pretty hard to feel superior to someone in a Mercedes."

Toronto has taken 140,000 immigrants from Hong Kong, about 25 percent more than Vancouver. But since Vancouver's population of about 525,000 is only a quarter the size of metropolitan Toronto, the 110,000 immigrants here have had a greater impact.

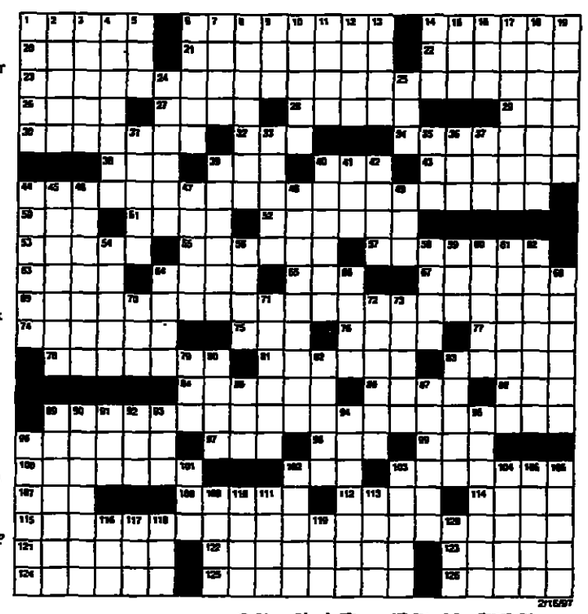
For the most part, Vancouver has welcomed the Hong Kong immigrants, and especially the billions of dollars they brought with them.

The provincial government says that immigrant entrepreneurs invested more than $195 million in 1995 and created 5,004 full time jobs.

INITIALLY SPEAKING, By Matt Gaffney

ACROSS
1 Suffix with land or city
6 Hanged
14 Unhitched?
20 Clio contender
21 Attack
22 Like socks in a drawer
23 Noted guitarist
26 Some learning
27 Kernel
28 The Thames borders it
29 Word of reproach
30 Tiny type size
32 Numbskull
34 Bandleader Paul
38 Roman nine
39 Atom
40 Chiang ——shek
43 Marcus and George
44 Four-time Indy winner
50 Noted youth grp.
51 —— Mujeres, Mexico
52 Furtive sort
53 They don't want to fight
55 Should
57 Attached at the base, botanically
63 Druggie
64 Early empire builder
65 Recipe amt.
67 Italian city where Giotto painted
69 "Surprised by Joy" autobiographer
74 Metric weights
75 It may be high in the afternoon
76 Count
77 Introductory material
78 Loss by decay
81 Wasn't sociable
83 Strike location
84 General announcement?
86 Stagger
88 Not the best service
89 "My Little Chickadee" star
96 Medieval weapon
97 Laugh syllable
86 Artillery shell component
99 A substantial amount of Louisiana
100 Goes around
102 Tricked
103 Rolls
107 Vitamin C source
108 Refuse
112 No longer stuck on
114 Understanding words
115 Three-time N.F.L. M.V.P.
121 Understanding
122 Computer offering
123 Not be fast
124 They're out in a game
125 Prepares for a rough ride
126 Cardinal points?

DOWN
1 Buffalo wing?
2 Modern information medium
3 Tiny amount
4 Where gelato was invented
5 Like a member of the U.S.N.
6 Sober-minded
7 Comanteci achievements
8 Kind of comb
9 City area
10 "Frasier" character
11 Lions' prey
12 Indians with a sun dance
13 It may be struck
14 Eponymous Belgian town
15 Actor Holm
16 An end to peace
17 1994 A.L. home run king
18 Soft
19 Garden tools
24 Homes with domes
25 Cold war threat
31 Elvis Costello's "My —— True"
33 Grave marker
35 Silver treat
36 First name in 1936 politics
37 Early 80's sitcom
39 "Othello" courtesan
40 Name in 1993 news
41 Bill the Cat pronouncement, in the funnies
42 Alibi —— (liars, of a sort)
44 Shanghai
45 G.I. entertainment
46 Greek cafe
47 Shrovetide dish
48 Legal grounds for action
49 Poetic preposition
54 Gray and Moran
56 Argot
58 Getting around well
59 "My gal"
60 The best
61 Kind of estimate
62 Got a flat boot?
64 "—— deal!"
66 Some government appropriations
68 The plus column
70 Pin down
71 Kind of oil
72 Ogle
73 "The Courtship of Miles Standish" character
79 Travel (about)
80 Drop acid?
82 Preceded
83 Travels back and forth
85 Abbr. in a help wanted ad
87 Application
89 Lynette ——, first female Harlem Globetrotter
90 Took in, maybe
91 Actor Stephen
92 Congratulations, of a sort
93 Palindromic English river
94 Chants
95 Authorize
96 Beseech
101 ——Anne-des-Plaines, Québec
102 Lake Volta's country
103 Ho-hum TV fare
104 Adlai's '56 running mate
105 Like some apartments
106 Most likely winners
109 Butts
110 Rat——
111 Pokey
113 Start of a classic Latin quote
116 Broodmare
117 Had fare
118 Med. specialty
119 Tiny terror
120 —— Saud (former Mideast leader)



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Solution to Puzzle of Feb. 8-9

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CAUL SPOIL GENTE BAL
ATSIX INNARDNATA BASE
DIEOF FEG ERATO COLED
OCS TRIB ARDVS SLOPPY
OLED ARTS BIAD
SOTHERN DEADHEART VOW
PERASE OVAL ARF STILE
UBER TURFS GRIEP AREA
ROBET TSH BARE SIPPED
KYD BYRETHOVE LANCTRY
HAYS ARET VARO
ASPINE TARIL REGT BAR
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Cover-Up Charged in Hanbo Inquiry

Agence France-Presse

SEOUL — South Korean prosecutors said Friday that they were wrapping up their investigation of the Hanbo scandal, in which loans apparently were traded for kickbacks.

The announcement triggered allegations of a cover-up from the opposition.

"We're winding up the investigation of bribery allegations in connection with preferable loans to Hanbo," a prosecutor said. "From now on, we'll focus on collecting evidence and questioning witnesses to back up our case against the accused."

Choi Byung Kuk, the senior prosecutor, said Thursday that there was little possibility that more politicians or high-level officials would be arraigned in connection with the scandal. He also ruled out the possibility of questioning President Kim Young Sam's second son, Kim Hyun Chul, who the opposition contends was at the center of the kickback scandal.

The authorities have arrested nine people since the investigation began — two bank chiefs, four legislators, a dismissed minister, the Hanbo business group's patriarch, Chung Tae Soo, and a Hanbo executive.

But the main opposition National Congress for New Politics accused the government of hurrying to close the embarrassing case and vowed to reveal the whole picture when the National Assembly opens a special session Monday.

"The man ultimately responsible for the scandal is President Kim with his son Hyun Chul playing a leading role," the party spokesman, Chung Dong Young, said in a statement.

The governing New Korea Party denounced the opposition for spreading "groundless rumors" about the president and his family for political gain.

But the opposition spokesman said Kim Hyun Chul's claim of having met Chung Tae Soo's son, the Hanbo Group chairman Chung Bo Keun, only once was a "lie." He charged that the two had met a number of times in Seoul and in Tokyo and had stayed at the same hotel in Atlanta last July.

The spokesman said that top presidential advisers, government ministers and officials of the Office of Bank Supervision should be investigated as well.

Kim Hyun Chul said through an aide that he would sue the opposition when the investigation of the Hanbo case was completed.

EU Urges ASEAN to Pressure Burma

Reuters

SINGAPORE — The European Union said Friday that it had urged Southeast Asian nations to pressure Burma in whatever way they chose in an effort to reform a regime widely accused of human rights abuses.

A robust exchange on how to deal with the military rulers in Burma and other human rights issues dominated two days of talks between the 15-member EU and the Association of South East Asian Nations.

"In Europe, we feel what is happening in Burma is absolutely unacceptable in terms of violations of human rights," Hans van Mierlo, the Dutch foreign minister and current European Union president, said at a news conference.

"The main message of Europe was: Please, do what you can do in your region to influence the affairs. The way you do it, that is not for us to dictate," he added, "but we count on you to do it."

Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam are the members of ASEAN.

Burma is due to join, possibly as early as this year.

That has prompted talks on how the EU will deal with an ASEAN that includes a regime it is trying to ostracize.

Foreign Minister Herve de Charette of France said that his country would not lift its ban on giving visas to senior Burmese officials. "The attitude of France will not change for the moment," he said.

Asian ministers were clearly not pleased by such talk.

The Philippine foreign minister, Domingo Siazon, said the Europeans were "in fact suggesting that ASEAN delay admission" of Burma.

"We say that's our business," he declared.

Foreign Minister Shunmugam Jayakumar of Singapore, co-chairman of the conference, said that the two-hour discussion on Burma was the most substantive in the 20-year history of ASEAN-EU meetings.

BRIEFLY

Riots Go On in China, Exiles Say

ALMATY, Kazakstan — Leaders of an exiled nationalist Uighur group in Kazakstan said Friday that riots in China's predominantly Muslim northwest were continuing despite statements from China that disturbances had been quelled.

"The riots go on in several areas of the province of Xinjiang where people have taken up arms to defend themselves," said Yusupbek Mukhlisi, head of the United Revolutionary National Front, "but Beijing has managed to create an information vacuum around the event."

Chinese officials said this week that rioting last week in Yining, a town 50 kilometers (30 miles) from the Kazak border, had been "fomented by hostile foreign forces" but had finally been quelled by the army and police. *(Reuters)*

Cambodia Feud Blocks Highway

PHNOM PENH — Fighting between factions loyal to rival parties in Cambodia's coalition government closed a national highway Friday and troops were reportedly squaring off in the country's second-largest city.

The United Nations ordered its workers not to travel on Route 5 between the northwestern city of Battambang, capital of the province of the same name, and the border town of Sisophon after troops loyal to the royalist Funcinpec party cut the road.

Ouk Kim Lek, an Interior Ministry official and brigadier general, said he had received reports that about 60 Funcinpec soldiers had surrounded a police station in Battambang. *(AP)*

Burma Attacks Key Karen Base

MAE SOT, Thailand — Burma attacked a major Karen rebel camp Friday and said it planned more raids until it had taken all military bases in the country of the ethnic minority, sources said.

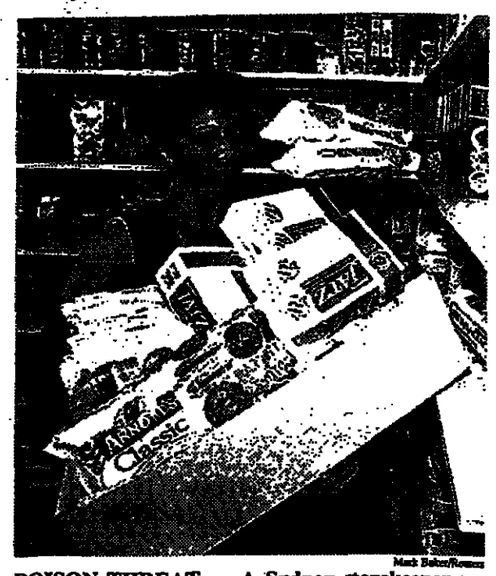
Soldiers attacked the Karen National Union's camp at Htee Ka Per in the eastern Burmese jungle, Thai military sources said, after overrunning three key union camps with mortar and artillery fire this week.

The fighting has driven more than 20,000 Karen refugees into neighboring Thailand. On Friday, Thai soldiers went on alert at the Burmese border as refugees continued crossing into the country. *(Reuters)*

For the Record

Pakistan will not consider resuming talks with India unless there are negotiations on Kashmir, the state-run Associated Press of Pakistan reported. Prime Minister H. D. Deve Gowda of India called this week for talks but ruled out discussions on the divided region of Kashmir. *(AP)*

A Roman Catholic bishop and three other people died in a plane crash shortly after attending the burial of another bishop who was murdered in the southern Philippines, the military announced. *(AP)*



Mark Baker/Reuters

POISON THREAT — A Sydney storekeeper removing Arnotts cookies and crackers from the shelves Friday after an extortionist threatened to plant poisoned products in Australian stores.

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TODAY PAGE 8

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Tajik Rebels Begin to Let Hostages Go

Russian Aide Reports Break in Stalemate

Compiled by Our Staff From Dispatches

DUSHANBE, Tajikistan — The leader of a rebel Islamic group holding 14 hostages in Tajikistan said Friday that he had started fulfilling an agreement to free the captives in exchange for other rebels.

Deputy Prime Minister Vitali Ignatenko of Russia, who was in frequent telephone contact with the rebel warlord, Bakhram Sadirov, told the Itar-Tass news agency that an exchange that could end the 10-day stalemate was under way.

The rebels' main condition for releasing the hostages, seized more than a week ago, has been for the Tajik authorities to fly in rebel comrades from neighboring Afghanistan and allow the two groups to meet up.

The hostages include three United Nations observers (two from Switzerland and one from Ukraine), four Russian journalists and four workers with the UN refugee agency.

Mr. Ignatenko said after an earlier conversation with Mr. Sadirov that reports that one hostage, a United Nations military observer, had been killed were not true.

Tass reported that two women hostages, reporters from Tass and Interfax news agencies, were already heading out of the rebel camp with a driver for Russia's NTV television network.

The reporters have been sending frequent reports to their employers in Moscow on the rebels' satellite telephone, but it is not clear to what extent they were simply reporting what their captors told them to say.

Tajikistan's security minister was seized last weekend when he tried to negotiate with the hostage-takers, who once backed the former Soviet republic's Islamic opposition but whose loyalties are now unclear.

Russian new agencies also reported that Mr. Sadirov had demanded 300 automatic weapons, four grenade launchers and ammunition as part of the deal.

It was not clear whether this condition was met.

Mr. Sadirov said that if his 40 comrades reached his base with their weapons on Friday, he would free his captives.

"I'll release everyone. I give my word. I swear to Allah," Mr. Sadirov was quoted as saying.

(Reuters, AP, AFP)

Luke Frazza/Agence France-Presse

Mr. Netanyahu and Mr. Clinton ending their meeting, which an Israeli said Friday made no breakthrough on Syria.

No Terms in Syria Talks, Israeli Says

Reuters

WASHINGTON — Prime Minister Benjamin Netanyahu rejected Syrian demands to pick up peace talks at the point where they left off with his predecessors' government and accused Damascus on Friday of blocking Israel's desire to withdraw from Lebanon.

"Obviously we will take note of what took place in the talks between Syrian negotiators and the previous government," Mr. Netanyahu said in a speech to the Washington Institute for Near East Policy, a private research organization.

But, he added, "we cannot be bound by conversations or by ideas or by speculations and suggestions and hypotheses. We can only honor signed agreements."

Syria has said the Israeli government led by the Labor Party agreed to withdraw in full from the Golan Heights, the main point of contention in the five-year-old talks. But Mr. Netanyahu's Likud government opposes such a withdrawal.

Labor broke off peace talks almost a year ago after a series of bomb blasts in Israel, and they have not resumed.

Discussions Thursday between Mr. Netanyahu and President Bill Clinton made no breakthrough on resumption of talks with Syria, the Israeli cabinet secretary, Danny Naveh, told Israel Radio.

His assessment contrasted with a more optimistic statement by Mr. Clinton that he had hopes talks would resume.

Mr. Netanyahu said he was "still puzzled" by Syria's refusal to discuss an Israeli withdrawal from southern Lebanon in return for an end to attacks on Israel by Hezbollah guerrillas in Lebanon who operate with tacit Syrian approval.

"I am saying that we want to withdraw from Lebanon," the prime minister said, but he added, "I am being told in the Syrian press: Don't withdraw from Lebanon. Now Syria ostensibly seeks our withdrawal but in practice impedes it."

'We cannot be bound by conversations or by ideas. We can only honor signed agreements.'

Middle East diplomats say Syria sees the Hezbollah attacks as leverage in the Golan dispute. Syria has rejected Israeli proposals to discuss Lebanon before dealing with the Golan Heights.

Mr. Netanyahu said that if President Hafez Assad decided to "choose the path of peace," the Syrian would find the Israelis "reasonable and cooperative partners." He gave no details of what Israeli officials had said was his formula for restarting the talks.

The prime minister gave no sign of flexibility in talks with Palestinians due to resume next month to decide the final status of Palestinian self-rule areas.

Jerusalem, one of the points at issue, "will continue to be undivided and under our sovereignty," he said, and Palestinian demands for a state covering all of the occupied territories and East Jerusalem would cause the talks to collapse.

He also said Israel was "certainly going to develop" existing Jewish settlements in the occupied territories, although it had not decided on new ones.

■ Guarding for Nuclear Terror

Israel is preparing for the possibility that terrorists will use nuclear or other nonconventional weapons against it, the government's chief anti-terror adviser, Meir Dagan, said in an interview published Friday, The Associated Press reported from Jerusalem.

The collapse of the Soviet Union has made technology for nuclear and chemical weapons easier to obtain, Meir Dagan, a major general in the army reserves and head of the new anti-terror force, told the newspaper Yedioth Ahronoth.

Beijing and Seoul Face Dilemma Over Defector

Foreign Ministers Meet in Singapore, But Chinese Say Solution Will Take Time

Compiled by Our Staff From Dispatches

SINGAPORE — Chinese and South Korean foreign ministers failed Friday to resolve the diplomatic crisis caused by the defection of a senior North Korean official who has taken refuge in Seoul's embassy in Beijing.

China said a solution would take time but that the process toward resolving the dilemma had been set in motion after the 50-minute meeting between its foreign minister, Qian Qichen, and his South Korean counterpart, Yoo Chong Ha.

"I am afraid that this question cannot be resolved so rapidly as you hope, as you imagine," a Chinese spokesman, Guo Chongli, told reporters in comments on the defection drama involving the North Korean Communist ideologue Hwang Jang Yop.

"We are investigating this matter and the appropriate resolution of this matter is under way," the spokesman added.

Mr. Qian met with Mr. Yoo on the sidelines of a European Union-ASEAN meeting here. He said that Beijing had been surprised by the defection and needed more time to investigate the issue. He said that until a solution is reached "all parties should treat this in a cool and calm manner and handle this really cautiously" in the interest of peace on the Korean Peninsula.

The ministers met two days after Mr. Hwang arrived in a taxi at the South Korean Embassy compound, prompting fresh tensions on the Korean Peninsula and embarrassing China.

South Korea wants safe passage for Mr. Hwang from Beijing to Seoul, but Chinese officials said it was premature to say how long the investigation would take. North Korea argues that Mr. Hwang was kidnapped, but has provided no evidence for the claim.

Mr. Qian stressed that China had no warning of the intentions of Mr. Hwang, 73, a top adviser of the North Korean leader Kim Jong Il.

"Actually we didn't know what happened to Mr. Hwang in Beijing," Mr. Qian said. "We were totally in the dark beforehand. We were not aware of a stopover in Beijing. He did not stay in any Chinese hotels or guest houses."

Mr. Hwang presented himself to staff at the embassy's consular section early Wednesday during a stopover on his way home from a meeting in Tokyo.

South Korean officials said talks would resume through diplomatic channels in Seoul and Beijing. Officials did not say whether more meetings were planned in Singapore.

"It will take a little bit more time for them. We have started discussions and will carry on more discussions," Mr. Yoo said.

The Chinese spokesman, asked whether China, close to both Koreas, would mediate a solution, said, "This is something which has just happened and it is difficult to say how different parties will play roles."

He said it was up to "relevant authorities" in China to decide whether the investigation should include the questioning of Mr. Hwang, adding that Beijing hoped peace would be maintained despite the "twists and turns" on the peninsula.

The 72-year-old Hwang, one of the main authors of North Korea's isolationist ideology, is the highest-level official yet to try to defect to the South.

His move occurred at a sensitive time for Pyongyang, which will celebrate the 55th birthday of Kim Jong Il on Saturday. Mr. Hwang is married to a cousin of Mr. Kim.

The defection bid is awkward for China, which has sought to follow a strictly evenhanded policy toward the two Koreas since establishing ties with Seoul in 1992.

As the foreign ministers met in Singapore, Mr. Hwang was still holed up in the closely guarded embassy in Beijing. Mr. Hwang, who could face summary execution or a lifetime in prison in the North, was in good health and sleeping well, a South Korean Embassy spokesman said.

About 40 North Koreans in a dozen diplomatic cars were parked just behind police roadblocks set around the embassy's consular section.

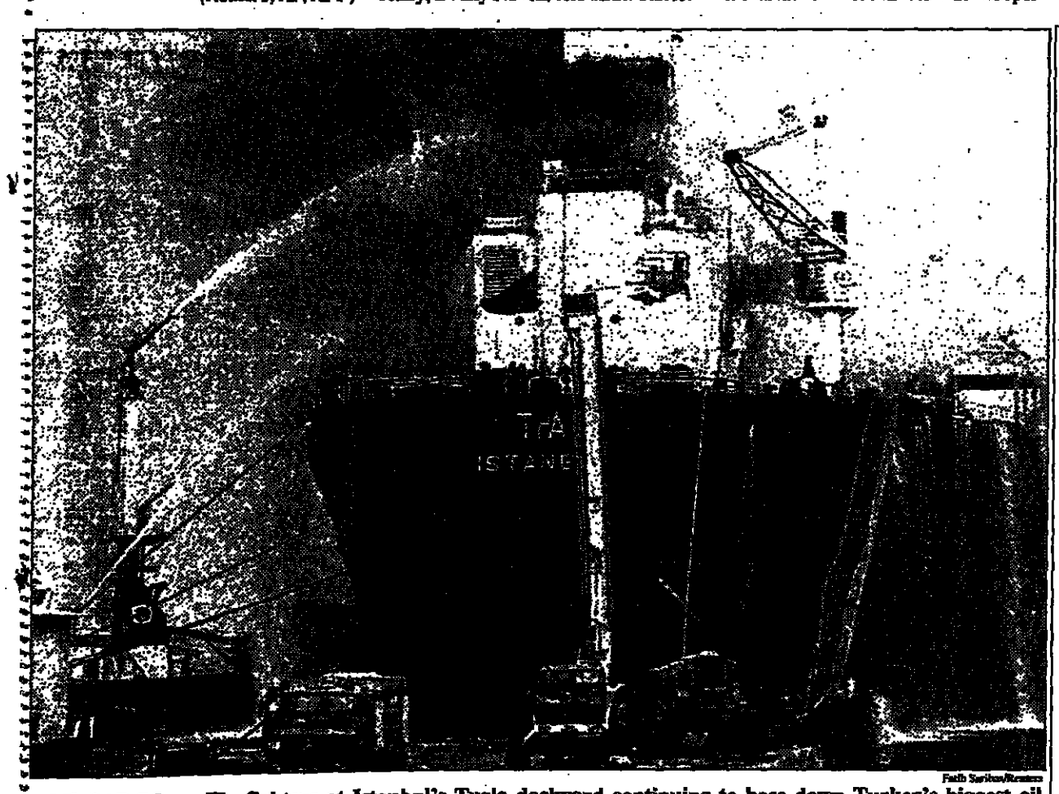
Dozens of armed Chinese police were keeping watch over the area, with police minivans parked across each of four roadways leading to the compound.

A North Korean official standing outside the police cordon said that there were no plans to storm the compound to recover a countryman Pyongyang had said was kidnapped.

"We are waiting here for him to come out and then ask him to come back," said the official, who declined to identify himself.

"If China allows him to go to South Korea then we will be disappointed," said another North Korean, one of about 10 waiting beyond the police cordon, trademark badges of the late North Korean leader Kim Il Sung pinned to their lapels. "It will be regrettable."

(AFP, Reuters)



Faith Saritsoy/Reuters

HOT CARGO — Firefighters at Istanbul's Tuzla dockyard continuing to hose down Turkey's biggest oil tanker Friday. The fire, in which 21 people were injured, broke out after an explosion on the vessel Thursday.

BOOKS

LOITERING WITH INTENT: The Apprentice

By Peter O'Toole. 406 pages. $22.95. Hyperion.

Reviewed by Jonathan Yardley

PETER O'TOOLE is in love with words: obsessively, hilariously, madly word-besotted. One of the superior actors of his time, and certainly one of the most engaging public personalities, O'Toole finds "the beginning and the middle and the end of all one's performances . . . in the writer's text." Wherever he encounters "good writing," it "is alive on the page and talks to me." As he passed through his apprenticeship, at the Royal Academy of Dramatic Arts in the early 1950s, the discovery of words was central to his education:

"As the music and the magic in the arrangement and the meaning of words had lit in me throughout my childhood the spark that would in time light my way to becoming an actor, so now, as it has been throughout my professional life, the sounds of thoughts set down with pen and ink on paper by a master dramatist, the singular diction of his characters, the richness of his stories, the cunning of his plots tell me not only how to play my parts but also at last it is the expression of these thoughts by speech and movement which forms my purpose in being an actor. You may, though you will find me ferociously reluctant in allowing you to do so, take from me my perquisites, my properties, my plush playhouses, all finery, flim-flam and gorgeous show; take them, say I, wreck them should you begrudge my having them, or should you judge them to be cheap, unnecessary, worthless; leave me though, you meaner sods, one entity only and gladly shall I go on: leave me the word."

As that passage makes plain, no one has taken any words away from Peter O'Toole. "Loitering With Intent: The Apprentice," the second volume of his memoirs, positively explodes with words, some of them landing bang-on target, some of them spinning wildly off into the unknown. Much of it makes sense, some of it is — or at least seems — pure nonsense. But all of it is alive with words, as possessed by them and as haunted by them as anything by that writer so deeply loved by O'Toole, Dylan Thomas.

This entire book is a love song, sung for O'Toole's youth and for all those of all ages who were with him there in London when "we had the best of it." Readers fortunate enough to know his first volume of autobiography, "Loitering With Intent: The Child," will recall that at its conclusion he had finished his dutiful stint in Britain's naval service and had returned to find himself accepted at the Royal Academy. He was there only a couple of years, but on the evidence herein they must have been the happiest of his life, filled with friendship, youthful misbehavior, the kind attention of older mentors and a dawning sense of the world into which he was gaining entry. There are times when reading his account of these happy days requires either the patience of a saint or the interpretive skills of a cryptographer, but the labor is always rewarded; this is an infectiously joyful book.

The connections among O'Toole and his fellow students were complex, intimate and deeply rewarding. He writes about all of them with an affection that the years in no way have compromised.

All of this plays out against a background provided by Edmund Kean, the great actor of the early 19th century, whose spirit is everywhere present.

O'Toole, for all his playfulness and his pub-crawling, is a serious student of the theater whose sense of its past — and his own indebtedness to that past — is powerful. It is the rock upon which O'Toole's life, as well as this beguiling book, is built.

Jonathan Yardley is on the staff of The Washington Post.

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No Investment in Burma

The Clinton administration may be nearing a decision point on Burma, the Southeast Asian nation that has been deformed by a brutal military dictatorship.

President Bill Clinton's top foreign-policy advisers should recommend activating a ban on new American investment in Burma. It would be an excellent start for Mr. Clinton's new team, and give Secretary of State Madeleine Albright evidence of American resolve that will be useful in her visit to China in 10 days.

The decision should not be difficult. Last July, Congress passed a bill authorizing a ban on all new U.S. investment if Burma's government harmed or rearrested the democracy leader Daw Aung San Suu Kyi or cracked down on the democracy movement. The law, introduced to undercut a tougher sanctions bill, was sponsored by Senator Dianne Feinstein, a Democrat, and William Cohen, a Republican and now the secretary of defense. His enthusiasm for invoking the sanctions is doubtful.

Unhappily, Burma has met those conditions. Daw Aung San Suu Kyi renewed her call for sanctions early this month when she criticized the government for the recent arrests of dozens of student activists. She was held under house arrest in December. The State Department's new human rights report says that severe repression increased last year. American officials also criticize Burma's regime for protecting major opium traffickers, who run business empires and help sustain the financially weak government by buying state assets.

Banning new investment should not impose a hardship on the American business community. Unocal, which owns part of a gas pipeline that will provide the Burmese government with a major source of hard currency, is already the largest American investor in Burma and one of few companies increasing its stake. Unocal recently paid the government several million dollars for new rights to explore offshore gas deposits.

Unocal is the shameful exception. Pepsico has just joined a long list of American and European companies pulling out. They are leaving to avoid bad publicity and new laws in Massachusetts and several American cities barring public contracts with companies that do business in Burma.

Mrs. Albright and Bill Richardson, the new UN representative, have both visited Burma and met with Daw Aung San Suu Kyi. Their commitment to protecting human rights will seem empty if they and other senior advisers fail to urge Mr. Clinton to take action against Burma.

—THE NEW YORK TIMES.

Rethinking Foreign Aid

With a new administration and a new budget year, the issue of U.S. foreign aid — what it should do, who should administer it, whether to bother with it at all — is percolating once again. This time, it is not only traditional skeptics such as Senator Jesse Helms raising questions. Friends and supporters of development assistance also contend that foreign aid is "adrift" and in need of "major institutional restructuring," in the words of a report recently published by the Overseas Development Council and the Henry L. Stimson Center.

American support for foreign aid has declined since its Cold War heyday. The United States ranks last in giving, proportionate to its economy, among industrialized nations. This is not as it should be. Yes, there are plenty of places where foreign aid has been misdirected, misused and/or dubious in impact. But the fact is that foreign aid has also done a lot of good, from promoting the green revolution that helps feed the world to significantly extending life spans to helping secure democracy in Poland and other transitional countries. Why should it not be continued and improved? It's still in the U.S. interest to promote democracy and free markets in the world's poorer countries, to respond to famines and other humanitarian emergencies and to prod reform and peace in the Mideast, the former Soviet Union and elsewhere.

In many cases, the World Bank and other multilateral agencies can best promote those goals. The United States retains huge influence in those institutions while not having to foot the entire bill, making for cost-saving leverage. That's why it makes no sense for the United States not to pay its share.

In some cases, bilateral aid gives more leverage. The key, though, is not to allow programs to become welfare-like entitlements in countries that aren't reforming their economies. Private investment flows to the developing world now dwarf public aid; countries that follow the right policies ought to be able to graduate from aid within a set number of years and begin attracting private money. The clearest entitlement in the U.S. aid program is the annual dole-out to Israel and Egypt; the administration proposal for 1998 awards those two countries $2 billion of a total aid pot of $6.5 billion. Paying for the Camp David accords was the right thing to do, but now it's time to put both countries on a schedule toward graduation.

What does this mean for Mr. Helms's proposal, newly reborn, to merge the Agency for International Development into the State Department? Given State's management problems, a full merger might not produce great efficiencies. But Mr. Helms is correct that insulating foreign aid from U.S. foreign policy no longer makes any sense, if it ever did. The goals of both State and AID should be to promote democracy, free markets and human rights, and better coordinating their work in those directions would make sense.

—THE WASHINGTON POST.

Mideast Momentum

Prime Minister Benjamin Netanyahu of Israel called on President Bill Clinton Thursday with the Mideast peace effort back on track. President Clinton tried to nudge matters ahead by encouraging Israel and Syria to return to the bargaining table to discuss the Golan Heights, diplomatic relations, security and Lebanon. No new talks were announced, but both Mr. Netanyahu and Syria's president, Hafez Assad, appear interested in resuming discussions.

The Israeli government sees negotiations with Syria as the best way to ease domestic pressure for withdrawing troops from Lebanon. Damascus does not want to be left on the sidelines as Israel and the Palestinians move toward a final peace.

Since two Israeli helicopters ferrying troops to Lebanon collided last week, killing 73 soldiers, there have been calls for Israel to withdraw from the nine-mile-deep border zone it has patrolled since 1985 to discourage rocket attacks on its northern villages.

Politicians from left and right, including dovish Laborites, representatives of West Bank settler groups and one member of Mr. Netanyahu's cabinet, have argued that the longer-range rockets now used by Lebanese Hezbollah guerrillas make the buffer zone strategically meaningless, a source of Israeli military casualties with few benefits.

Mr. Netanyahu and many other Likud and Labor politicians disagree, arguing that withdrawing Israeli troops without an agreement with Syria would send the wrong signal and leave a dangerous security vacuum. On Thursday, Mr. Clinton endorsed the prime minister's stand. Comprehensive discussions with Syria are the right approach to the Lebanon problem. Negotiated agreements are the only proven path to peace in the Middle East.

On the broader issue of Israeli-Syrian peace, both sides now seem close to resuming talks that were suspended last year. The previous Israeli governments of Yitzhak Rabin and Shimon Peres were prepared to return virtually all of the Golan Heights to Syria in exchange for full diplomatic and economic relations and adequate security guarantees. Before talks broke off, progress had been made on defining future relations, but not on security issues.

Mr. Netanyahu, who proposes returning only part of the Golan Heights, has offered to talk about all issues without preconditions. That should be enough for Damascus. If Syria is more forthcoming on security guarantees, it can reasonably expect Israel to soften its stand on returning land.

As Israel previously discovered with Egypt, the Palestinians and Jordan, once serious peace talks begin they can develop their own momentum. The current opportunity to begin such talks with Syria should not be missed.

—THE NEW YORK TIMES.

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Zaire and the Lethal Folly of Grand Abstractions

By Jim Hoagland

WASHINGTON — The best quick description of America's belated effort to do the right thing in Zaire comes not in a policy planning paper or a classified embassy cable, but in "Independence Day," Richard Ford's recent novel in which the real estate salesman-narrator observes that life's saddest fact is this:

"You see the very things you'll never adapt to coming toward you on the horizon. You see them as the problems they are, you worry like hell about them. ... You tell yourself you'll have to change your way of doing things. Only you don't. You can't. Somehow it's already too late. And maybe it's worse than that: Maybe the thing you see coming from far away is not the real thing, the thing that scares you, but its aftermath." What you've feared has already happened.

Mr. Ford is not writing about nation-building in Africa. He writes of the problems of one New Jersey man's dysfunctional family and his tenuous professional life. Mr. Ford avoids the big picture, he ignores the grand abstractions that pump up the papers of foreign policymakers and experts. He looks at the real fears, hatreds and ideas that drive people.

And therein lies the value of applying a novelist's prime thought to a problem like Zaire.

The grand abstractions of the Cold War held American policymakers and politicians spellbound when it came to Zaire, and to many other places. The corruption and misrule of the regime headed by Marshal Mobutu Sese Seko could be clearly seen by U.S. officials.

Someday something would have to be done.

But it never was. The ambassadors and their bosses in Washington always had a big geopolitical reason to stop and say: We can't.

Alienating Marshal Mobutu would drive him into the arms of the Soviets, who would register a gain in their march to world domination.

The real problems and grievances of the peoples of Zaire — such as the ethnic Tutsi of the east — were regrettable but not something Zaire's various patrons — the United States, France, Belgium — could fit into their grand abstractions.

Marshal Mobutu's refusal to extend citizenship rights to the Tutsi who live in Zaire was most unfortunate, but not germane to diplomacy.

Nor were effective measures taken to counter Marshal Mobutu's repeated sabotage of democratic elections and a transition of power to others.

Suddenly those two items are central to the agenda of American and European diplomats who are scrambling wildly to prevent something that may have already happened: the collapse of Zaire as Central Africa's biggest, most important state. The thing "coming from far away" is here.

A rebel army is sweeping through the country's eastern provinces, humiliating Marshal Mobutu's "army," a rapacious mob that slowly disintegrated as the government in Kinshasa ceased to function and central authority evaporated.

The rebel advance is powered by the resentment of the disenfranchised Tutsi, who with the support of neighboring Rwanda and Uganda have seized control of the region they inhabit. The rebellion's leader, Laurent Kabila, says the revolt will continue until a new government is installed in Kinshasa. Marshal Mobutu, gravely ill with cancer, has rushed home from Europe to organize a final defense.

These dramatic events have produced an unacknowledged but clear consensus among the countries with economic and political interests at stake in Zaire: It is time for Marshal Mobutu to go. If necessary and feasible, ways will be found to help him go.

A decade or two ago, that consensus could have been the basis for effective action. Washington, Paris and Brussels had levers of power to pull in Zaire. But a consensus could not be achieved then. The United States turned to a policy of isolating Marshal Mobutu, denying Zaire economic or military aid and reducing contacts at all levels.

Through these sequential policies of unquestioning acceptance and undiscriminating rejection of Marshal Mobutu's regime, the United States has isolated itself from having significant influence in Zaire at the moment that country most needs wise and disciplined American involvement.

U.S. officials now accept that easing Marshal Mobutu aside in an immediate, negotiated transition is a necessary element of any solution. So is a guarantee of citizenship and other human rights for Zaire's deprived minority groups. But both those things are more likely to be the product of the force of arms than a diplomatic fix.

Zaire is in fact only one dramatic, current case that establishes the costs of letting grand abstractions obliterate human values and realities in fashioning policies that determine America's role in the world. President Bill Clinton and his aides, as they grapple with Zaire, should ponder what their grand abstractions will leave behind for future policymakers on questions like China, and NATO enlargement.

The Washington Post.

The Best Long-Term Investment for Europe and Japan? Babies

By Philip Bowring

HONG KONG — The economic problems of Europe and Japan have one thing in common: age. It is not a subject that a generation brought up to worship youth likes to talk about.

Discussion of doing anything about it is almost taboo. But advanced industrial societies have a stark choice: pronatal policies, immigration or slow death.

At the recent World Economic Forum in Davos, Switzerland, there was much discussion of aspects of the current economic malaise: sclerotic labor markets, slow technological change, unwillingness to invest, consumer caution, public sector debt and deficits. All are to be found to different degrees in Western Europe and Japan. But they are discussed mostly as causes of the malaise rather than as symptoms of a deeper problem: aging societies.

In Japan, people save because they fear a pensionless future, but they are increasingly reluctant to take risks with new investment. In Europe, fear of unemployment and unwillingness to change feed on each other.

Everywhere, even in the New World, governments look at an alarming future of rising social security demands and falling working-age populations.

But is anyone doing anything about it? Aging populations are to some extent a desirable global phenomenon, resulting from longer life expectancies and past declines in birthrates. But the extreme conditions facing Japan and much of Europe must and can be addressed.

Pronatalist policies are so far off the map that they can't even be called "politically incorrect." They are associated mainly with extreme nationalist sentiments or old-fashioned Catholic crusades against family planning. It is somehow assumed that the state and society at large should have no views at all on demographics, and any suggestion of a policy is seen as an attack on individual rights — and especially those of women.

Yet the West has for years pursued the notion that population policies are good for the Third World, often linking aid to efforts to bring down birthrates through one means or another. This has been laudable. Demographic transition has been a major factor in improving the lot of people in the developing world. The economic successes of East and Southeast Asia showcase an effect of population policies. Indeed, they have been so successful that discussion has already begun about a need for policy change before these areas, too, confront the problems of rapid aging. (In some parts of Asia the problems will be exacerbated by the preference for male children, which is creating a massive sex imbalance.)

In Japan, where the problems are more immediate, the subject is just beginning to creep into public consciousness despite an association of pronatalism with Japan's imperialist past. It is dawning on Japan that at current rates of fertility and marriage age, the population will begin to shrink — as is already the case in parts of Europe. A homogeneous, ethnocentric Japan would find it almost impossible to take the other route to demographic improvement: large-scale immigration.

Europe is probably in the same position. There are enough problems already between white populations and African and Arab immigrants. European internal migrations, such as have swelled Germany's population, are almost over, so future immigration will, if it happens at all, necessarily be mostly of people from non-European racial and religious backgrounds.

It is the evident advantage of societies built on immigration, such as the United States and Australia, that there is no need to change policy to offset low birthrates. There may be debate about social problems arising from multiethnic migration, but little about the principle.

It is possible that European and Japanese birthrates will pick up without encouragement from the state. That may already be happening in Scandinavia. But fertility in some countries in Europe — Germany, Italy and Spain in particular — has fallen to levels that should be viewed with alarm by those concerned about Europe's long-term economic well-being.

In the longer run it is doubtful that a Europe with a very low birthrate can defend itself should those living in areas with some of the world's highest birthrates — North Africa and the Middle East — seek living space.

Pronatalist policies would not necessarily have any result, as France's past efforts have shown. But governments have an obligation to point out the economic consequences of low birthrates, and to do their best — without treading on individual freedoms — to encourage changes in social behavior. Low birthrates are infinitely more dangerous to these societies than smoking or "mad cow" disease.

The best long-term investment Europe and Japan can make now is not in new tunnels, theme parks or electronic superhighways, desirable though they may be. It is in babies.

International Herald Tribune.

No Immunity: Foreign Economic Problems Could Hurt U.S.

By Robert Kuttner

WASHINGTON — Japan is in the midst of a widely reported financial crisis. The Tokyo stock market is worth barely half its value of a decade ago. As the Japanese stock market falls, so does the capital base of Japan's shaky banks, which are major shareholders.

The Japanese government can't make up its mind whether to keep propping up the banks and the stock market, or to expose the entire Japanese economy to the bracing discipline of supply and demand. In the meantime, Japanese corporations are undergoing the same kind of competitive shakeout that hit the United States in the 1970s.

In Europe, the powerhouse German economy now has more than 12 percent unemployment and sluggish economic growth. Slow growth in Germany pulls down the rest of the Continent.

The United States, by comparison, seems an island of dynamism. Unemployment is still well below 6 percent. Productivity is rising smartly. And the stock market continues to reach new heights. But should we Americans worry that the economic ills of the rest of the world will contaminate us?

The question divides three ways: the health of the "real" economy of goods and services; the health of financial markets, and the purely psychological factors that sometimes cause wild swings in markets.

Seemingly, we don't have much to worry about. Compared with Europe and Japan, the real economy of the United States is remarkably resilient. But thanks to the very globalization that we keep celebrating, the rest of the world is increasingly the market for American products. If their economies falter, our best customers stop buying.

The U.S. financial markets have been on a roll for a decade. Despite globalization, America's dependence on foreign investment is still relatively modest. In the short run, the better the U.S. capital markets look relative to Europe and Japan, the more foreign investment we attract. Within limits, their pain is our gain. Global confidence in the U.S. economy explains why the dollar is so strong that our government lately has been trying to "talk the dollar down" out of fear that it will become overvalued.

Of course, a serious financial crash or recession, in either Europe or Japan, would affect the health of the U.S. economy. The reasons are both real and psychological.

Stock markets reflect both real-world assumptions about economic fundamentals, and crowd psychologies. The "real" reason that the U.S. stock market keeps going up is that investors expect corporate profits to keep growing. And higher profits justify higher stock prices.

But a recession in the rest of the developed world would spread to the United States, and reduce corporate earnings. That, in turn, could signal that stock prices are overvalued — and the end of the long bull market.

And, although the "real" economies of Europe and Japan are certainly performing sluggishly, I worry more about the purely psychological aspect of global interdependence. The U.S. stock market has been defying gravity. At some point, the smart money will decide that it's time to cash in.

Events in Japan, or Europe, while not affecting U.S. financial markets directly, could still affect investor psychology — by triggering a sell-off. A random piece of bad news from overseas, even if not disastrous per se, could light the fuse.

And a stock sell-off would be even more serious if it coincided with a recession. Declining stock prices could deepen recession by depressing people's willingness to spend, because their investments would suddenly have lost much of their paper value.

In that sense, the globalization that we keep celebrating makes the United States a captive of foreign economies that we don't — and can't — control. Today, no economy is an island. The U.S. stock market has been riding high on the promise of globalization — the linkage to billions of worldwide consumers. But there is a downside of globalization that we will surely discover in the next serious downturn.

All bull markets come to an end. If this bull market is different from others, it's only because it has risen so dizzily and because it is more dependent than ever on global factors that we can't control.

Washington Post Writers Group.

A Broken Mostar, a Shaky Peace

By Anthony Lewis

BOSTON — Are the United States and its European allies serious about making the Dayton accords work? A violent provocation by Croats in the Bosnian city of Mostar raises that question in painful form.

On Monday, the end of Ramadan, 200 Muslim Bosnians crossed from East Mostar to the Croat-controlled western half of the city to visit a cemetery. A group of Croats fired at them, killing one and wounding dozens. Later the same day 30 of the few Muslim families still living in West Mostar were expelled.

Mostar is a crucial symbol of the American and European commitment to the Bosnian Federation. It was divided and badly damaged in fighting between Croats and Muslims during the Bosnian war. Now, at American urging, the two parties have joined in the federation. The Western allies have spent millions on reconstruction of Mostar, and tried over a year and more to promote reconciliation and reunification of the city.

But the attempt has foundered on an ugly reality. Criminal gangs effectively control West Mostar. Croats took part in a citywide election organized by the European Union last June, but the warlords have kept the newly elected city council from meaningful functioning, and kept the city divided.

The Croats who fired on the Muslims at the cemetery reportedly included policemen. It was evidently a calculated provocation by those who control West Mostar. Why would they want to do that? When I telephoned Bosnia to explore that question, I soon realized how naive it was.

The Croatian warlords in West Mostar committed savage violations of human rights, and they seized the property of expelled families. So the thought of reconciliation and freedom of movement in the city frightens them. They fear having to give up stolen property, and they fear revenge. That is why they use intimidation and terror to keep Mostar divided.

Soldiers of the international Stabilization Force are in Mostar in considerable numbers. But they avoid involvement in the city's tensions, and they did not intervene in the cemetery shooting. An international police force is also present in Mostar, but it has limited authority and modest ambitions. It undertook, with soldiers of the Stabilization Force, to try to persuade the Croatian leaders to let the newly expelled Muslim families return to West Mostar. After a day of negotiation, one family had gone back.

The real question, on the Mostar issue as on others, is whether the Clinton administration will carry out its responsibility toward the Bosnian Federation that it created. It is a question of political will.

Most Croats in Croatia proper are embarrassed by the brutal acts of the Mostar warlords. But the warlords have a highly effective lobby in Zagreb, with what seems to be great leverage on President Franjo Tudjman and his government.

That is where the American role comes in. The administration should be putting pressure on Mr. Tudjman — relentless pressure — to remove the warlords. Here is the chance for Secretary of State Madeleine Albright to bring her vaunted toughness into play. Mr. Tudjman has not only allowed the Mostar situation to fester. He has ignored his Dayton obligation to the International War Crimes Tribunal by failing to arrest and hand over Dario Kordic, an indicted suspect who lives in Zagreb in an apartment owned by the Ministry of Defense.

On the ground in Bosnia, Mostar is critical. Unless Mostar is fixed, there can be no real Bosnian Federation — and no peace.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Turkish Wrath

CONSTANTINOPLE — The declaration made by M. Delyannis in the Greek Chamber with reference to the despatch of the Greek fleet to Cretan waters has aroused the greatest indignation in Turkish Government circles. Tewfik Pasha called at the various Embassies to request the intervention of the Powers to induce Greece to withdraw her ships. He pointed out that no independent State would tolerate for an instant such action on the part of a Government with which they were nominally at peace.

1922: Gandhi's Fast

LONDON — The news that orders were issued for the arrest of Gandhi, the notorious Indian agitator, and his friends was disclosed in a debate on the present position of attacks in India. Since that decision was come to, however, Gandhi and his colleagues have decided not to pursue disobedience and illegal activities, and the warrants have been suspended. Meanwhile, it is reported that Gandhi began a five days' fast as a penance for the Chauri Chaura (United Provinces) tragedy, when 17 native police were massacred by a mob of 2,000 extremists.

1947: Yugoslav Claim

LONDON — Soviet Russia backed Yugoslavia's claim for a large slice of the Austrian Province of Carinthia as the four powers' Foreign Ministers' deputies try to write a draft peace treaty for Austria. Feodor Gusev, of Russia, argued that the deputies should consider Yugoslavia's role in the war. He stressed that Yugoslavia had lost 10 per cent of her population and that Austrian troops had participated in the German occupation of the country.

Town Left in Serbs' Control

Final Decision on Brcko's Fate Delayed a Year

By Daniel Williams
Washington Post Service

ROME — An American arbitrator said Friday that he had decided to leave the city of Brcko in the hands of Serbs for another year and then make a judgment on who will finally control the town, one of the key disputed prizes of the war in Bosnia-Herzegovina. An "international supervisor" with police powers will oversee the contested area in the meantime.

After months of negotiations, the mediator, Roberts Owen, said the year was needed to calm tensions that center on Brcko and to create a spirit of cooperation among the hostile factions competing for it.

The temporary solution seemed to please no one.

No representatives from the Muslim-led Bosnian government, its associated Muslim-Croat federation or from the separatist Serbian leadership attended the announcement of the decision, which included provisions for the return of refugees to Brcko and the opening of roads through the town to Muslim and Croatian travelers.

"Each side asked that it be declared the winner," Mr. Owen said. "No winner is being announced today."

The issue of who controls the city embodies almost all the unresolved elements left hanging by the 1995 Dayton peace accord that ended Bosnia's three-and-a-half-year ethnic war: Is Bosnia in fact one country, as specified in the accord, or is it effectively two, one controlled by the Muslim-Croat federation, the other by the Serbs? Are refugees who were driven from their homes during the Serbian terror campaign of "ethnic cleansing" going to be allowed to return home, or is a permanent transfer being ratified?

Brcko is a nondescript city in north Bosnia on the banks of the Sava River that has geographic value to both the Bosnians and Serbs. Serbian soldiers and paramilitary henchmen conquered the city in 1992, expelled the entire Muslim and Croatian population and, of several thousand prisoners taken in the process, killed up to 3,000 unarmed captives outright.

The occupation provided the Serbs with a strategic link between two larger lumps of land forming the basis for the Serb Republic, one to the west centered on the city of Banja Luka and a strip to the east that snuggles up to Serbia.

Serbian negotiators claim that surrender of the city would undermine a basis of the Dayton talks: provision for the Serb Republic to control 49 percent of Bosnia.

Moreover, the Serbs have reinforced their demographic hold on the city. Serb authorities moved thousands of Serb refugees into the city to live alongside Serb residents who lived there before the war.

Amel Emric/The Associated Press

U.S. soldiers patrolling the village of Brod, near Brcko. The Serbian-held area is one of the most hotly disputed in Bosnia.

American Airlines Cuts Flights as Strike Looms

European Runs Are Limited to Britain

By Mitchell Martin
International Herald Tribune

NEW YORK — American Airlines began winding down its operations on Friday as a strike by its long-haul pilots loomed.

With the 9,300 pilots threatening to walk away from their planes after midnight, American canceled its flights to Europe, except for those going to Heathrow and Gatwick airports, a spokeswoman in London said. Overall, 240 international and a dozen domestic flights were reported to have been canceled.

For reasons including insurance and parking space, the spokeswoman added, American is withdrawing its planes from airports outside the United States and Britain. If the strike goes ahead, the last flights to Europe will arrive in London on Saturday morning. American, she said, would try to place passengers on other carriers.

About 200,000 passengers a day on 2,200 flights would be affected by a strike. American and its regional carrier, American Eagle, serve 233 cities in 47 countries.

Besides flying its 151 routes in the United States, where it accounts for about a fifth of the air traffic, American flies to 12 European cities, 5 in Canada and 64 in the Caribbean and the rest of the Americas. It also provides service to Tokyo from Dallas and Seattle.

The main issue in the dispute is the use of low-paid pilots to fly new jets being purchased by American Eagle for regional service in the United States. American Airlines pilots want to fly the jets, which are to replace slower and noisier turbo-prop planes. The airline contends that all of its domestic rivals run low-cost regional airlines and that it does not make economic sense to use highly paid American Airlines pilots on the short routes.

The airline and pilots also have not agreed on wages, with American reported to have offered a 6 percent raise over four years. The pilots are asking for 11 percent.

President Bill Clinton can intervene in the dispute, but by Friday afternoon he had not indicated that he would do so.

Richard Gritta, a business professor at University of Portland in Oregon and a specialist on the airline industry, said while the average salary of American Airlines pilots was $126,000, their counterparts at American Eagle earned about $35,000. With labor costs accounting for about a third of airline operating expenses, he said it was unlikely that an agreement could be forged that would allow American to use its long-haul pilots on the Eagle routes.

The American Airlines pilots have offered to fly American Eagle jet flights for less pay than they receive for long-haul flights, but Mr. Gritta said their offer has not been revealed and was unlikely to be low enough to be economical for the carrier.

Although negotiations under a federal mediator were being held Friday, a spokesman for the pilots said he was "not optimistic" that a strike could be averted. A mediator said that he was "somewhat more encouraged" after an all-night bargaining session but that "major problems" remained to be resolved.

A strike would be costly for the airline. Standard & Poor's Corp. estimated it would cost AMR Corp., the parent of the airline, $15 million of net profit a day.

The company earned $1.02 billion last year, or roughly $2.8 million a day, but Mr. Gritta noted that it had been unprofitable from 1990 to 1993. Earnings in 1994 and 1995 were $228 million and $167 million, respectively.

The pilots also have a lot at stake. They are among the most highly paid in the industry and American has guaranteed that they will not lose jobs to American Eagle pilots.

Investors in AMR stock did not panic. The company's shares were quoted at $81.50 in afternoon trading, down $1.625 from the close on Thursday.

The stock closed as high as $93 in December, but was below $80 earlier this week.

BRIDES: *'Unliberated' Russian Woman Desperately Seeking 'Healthy' American Man*

Continued from Page 1

only about themselves. These Americans don't smoke or drink. They really seem to want to settle down and take care of their families."

Ever since Communism collapsed, tens of thousands of women in Russia, Ukraine and other former Soviet republics have signed up with matrimonial agencies and mail-order-bride companies in the hope of finding a Prince Charming in the West.

"The Lonely Hearts Club," which went on the air in November, is very popular. It videotapes five-minute interviews with eligible bachelors in the United States and broadcasts them in Russia on a station that reaches Ukraine and other parts of the former Soviet Union.

But it is only the latest technological tool in the thriving and increasingly sophisticated business of arranging introductions between American men and Russian women. It is a business often fraught with heartbreak and sometimes outright fraud.

Over the last five years, tens of thousands of American men unable to find their ideal mates at home have resorted to international matrimonial agencies. There are more than 40 in Moscow alone and hundreds in the United States. These agencies use catalogues, romance tours, CD-ROMs and even the Internet (electronic correspondents are known as "e-mail-order brides") to trawl the pools of available women overseas.

The modern mail-order-bride business, which took off in the 1970s in an apparent reaction to the feminist movement in the West, first blossomed in Southeast Asia, but Russia and Ukraine now dominate the trade.

Tamara Schonova, director of one Moscow matrimonial agency, Alliance, said, "The Americans have turned to Russia because Russian women have a European face but the patience of an Asian."

She may be right. American clients, who risk thousands of dollars in their quest, say Russian women look like Americans but are far more traditional and more feminine (read: not feminists). In turn, Russian women insist American men are more considerate, less prone to drunkenness and more ambitious (read: good providers).

These are matches made of co-dependent cultural stereotypes as much as love.

Last month, O.G. Stewart, 56, of Pikeville, Tennessee, a senior buyer for Excel Systems, a car-parts manufacturer, was the only man at a table filled with young women at a mixer at the Ukraine Hotel in Moscow. He and nine other men had each paid $4,000 for a 10-day package tour of Russia and Ukraine organized by Scanna International, one of the largest matrimonial agencies, with 8,000 clients.

"I hate to say this, but I like the outlook that they have over here better," Mr. Stewart said. "They are interested in culture and traditions. They're not as — how can I say this? — most American women are self-centered, they're into ego."

Those sentiments are echoed by almost all the men interviewed on "The Lonely Hearts Club." And to underscore the point, the New Jersey-based producer of the show, Gregori Antimony, a Russian émigré, intersects the bachelors' autobiographical tales with quick on-the-street interviews with assertive American career women.

Those 10-second testimonials to women's liberation are meant to reassure Russian viewers that they have qualities American women cannot offer.

Five years after it began, the marriage business is almost entirely unregulated, and the industry teems with stories of scams by fly-by-night agencies, prostitution rings masking as dating services and fraudulent claims by prospective brides and grooms alike. Even relationships that actually lead to marriage often end in tears and divorce.

"These women go over, and they run into so many problems," Mrs. Schonova said. "You can imagine some alcoholic in Colorado, and this woman comes and he has to teach her how to turn on the car, to start the washing machine, to use credit cards." She added, "Of course this drives him crazy, and he starts to hit her."

And several agency workers in Moscow admit that the chances of a successful match are dim. "Ninety percent of the male clients we get are real losers; I mean they had serious mental or physical problems," said Nina Vasiliyeva, who recently closed her matrimonial agency, Russian Romance.

Mandela Faces Regional Instability

The Associated Press

JOHANNESBURG — President Nelson Mandela's hopes for new regional stability in southern Africa have been rocked by a nationwide strike in Swaziland and a police mutiny in Lesotho.

Mr. Mandela traveled to Mozambique on Friday to discuss the problems with President Joaquim Chissano. The meeting followed a one-day swing to Zimbabwe and Botswana for talks with Presidents Robert Mugabe and Ketumile Masire on the tensions in southern Africa and the Great Lakes crisis in central Africa.

As the new head of the 12-nation Southern African Development Community, Mr. Mandela and South Africa have assumed a leadership role in efforts to create a strong regional body to coordinate trade and development while tackling conflicts.

The police mutiny in Lesotho started with eight officers who refused to turn themselves in for questioning in the killings of three other policemen in 1995. The eight took over the police station in Maseru, the capital, last week and have rallied support from other policemen to shut down police stations throughout the country.

In Swaziland, labor and opposition groups want political changes that would restore the constitution and legalize political parties. The strike, which began last week, is the third in two years and has shut down much of the vital sugar industry.

JAPAN: *Washington Doubts Tokyo, Fearful of Cost and China, Will Join Missile Defense*

Continued from Page 1

decision and we cannot predict or prejudge any result or conclusion," he said.

But after the last meeting in Tokyo last weekend, senior American officials have concluded that Tokyo is simply not ready to pursue a project that could cost them as much as $10 billion a year — the equivalent of more than one-fourth of Japan's current $35 billion defense budget — for four or five years. They said the project has a few powerful supporters within Japan's military establishment, but the Foreign Ministry is largely opposed and the nation's top economic officials are firm opponents.

"Japan is financially constrained, and they don't have the strategic consensus," said a senior Pentagon official involved in making Japan policy. The official, who spoke on condition he not be named, added: "Japan is most nervous about China, even though they talk about North Korea. A decision to build this would be perceived by the Chinese to be a blatant act. So, I'm sure Japan will not go down this line."

A second administration official, who noted that China has repeatedly warned Japan in recent academic and diplomatic conferences that it would view the deployment of an anti-missile system as a hostile act, added, "This is not something that will happen anytime soon."

The Chinese have argued that a Japanese anti-missile program would undermine regional arms control efforts and Beijing's nuclear deterrent, particularly against U.S. military bases in the region.

Given the strongly pacifist strain that runs through the Japanese electorate, American officials said Prime Minister Ryutaro Hashimoto and other members of the political elite cannot be expected to commit themselves to any anti-missile defense program without a thorough debate in the Japanese Diet, the Parliament. And there is no sign, they said, that the Diet will take up the issue any time soon.

The Pentagon has proposed at least four different anti-missile defense options for deployment by 2004, including enhanced Patriot surface-to-air missiles designed to intercept low-altitude missiles and THAAD anti-ballistic systems for high-altitude interceptions. U.S. officials have also discussed the possibility of sharing with Japan early-warning data obtained from satellites that are now being developed to detect infrared radiation at the time of a launching.

Japan allocated $2.7 million in its 1996 budget to study building an anti-missile defense system, 20 times what Tokyo spent the year before on the project.

"Our interest is that we would like to see American troops in Japan protected from ballistic-missile attacks," said Joseph Nye, a former assistant secretary of defense who is dean at Harvard University's Kennedy School of Government. "But Japan is very sensitive to the political repercussions in China and North Korea."

But many American defense experts still believe that Japan will eventually join in the project, but perhaps not for another five years or more.

Despite the setback, Clinton administration officials say they are committed to build or upgrade regional anti-missile defense systems to protect American troops stationed in potentially hazardous regions, including Saudi Arabia, Kuwait and South Korea. The administration's proposed $265 billion defense budget for 1998 calls for a 3 percent cut in spending from the 1997 budget, but it adds $320 million for anti-missile defense systems.

"The goal is to develop, procure and deploy systems that can protect forward-deployed U.S. forces, as well as allied and friendly nations from theater-range ballistic missiles," Secretary of Defense William Cohen said this past week while testifying on the budget before two congressional committees.

DIANA: *Princess Winning the Royal Public Relations Game*

Continued from Page 1

than that other former royal — Sarah Ferguson, former wife of the queen's second son, Prince Andrew. The news about the Duchess of York has been exclusively about her frantic efforts to pay off astronomical debts. She has sold her name, her book, her weight problem and her presence. She recently was pictured at the Opera Ball in Vienna, her attendance purchased for $40,000 by a wealthy opera patron.

Diana's televised interview in 1995 in which she, like Charles before her, confessed to adultery, was a mixed performance. Polls at the time suggested that people who had previously heaped most of the blame for the marital breakup on Charles were coming to feel that she, too, bore considerable responsibility.

Yet in the January 1996 MORI poll, she came out well compared with the Duchess of York and Prince Charles when asked which member of the royal family "has done the most damage" to its reputation. Those surveyed ranked the duchess first (40 percent), Charles second (34 percent), and Diana third (11 percent).

The Angola trip produced a telling conflict with some in the government, since her position in favor of a total ban on land mines deviated from official policy, which favors limits but not a ban. A junior defense minister, speaking anonymously to the press, called her a "loose cannon."

Prime Minister John Major figured out quickly that the loose cannon was not Diana but the minister. He quickly repudiated the man, saying he found no problem with anything she had said.

"It backfired on the government and reflected badly on the British establishment," said Nigel Evans, editor of London magazine and former editor of Majesty, a glossy devoted entirely to the royals. Indeed, he said, it contributed to the already existing feeling that she is beating the establishment at its own game.

"She's what people would like the monarchy to be."

RAPE: *Children Are Prey in South Africa*

Continued from Page 1

caused when South Africa made the transition from white-minority rule to democracy in 1994.

"I would go so far as to say there's a war against women and children, a low-intensity war," said Marilyn Donaldson, a clinical psychologist in the Johannesburg area who counsels rape victims and some rapists.

"It just seems like children are bearing the brunt of the insecurity of our transition," she said.

Social workers attribute the rape crisis to social and family upheavals dating at least to the era of apartheid and intensified by the changes that took place when apartheid ended in 1994.

Rape, as well as most other crimes, also is fueled by criminals' belief that law enforcement cannot — or will not — do much to stop them, social scientists say.

In the case of Anna Mabena's 12-year-old daughter, who said she was raped repeatedly by a clergyman, the family became aware of her plight only because of the spare change the man gave her.

They quizzed her about where she got the coins, and the story of her abuse poured forth.

"Grannies" from the neighborhood confirmed the rape with a physical examination, and a physician did the same. But the doctor's documentation was lost from the court file, Mrs. Mabena said, and the case against the clergyman was thrown out.

Combating the problem will prove most difficult in places like Orange Farm, an impoverished community of roughly 300,000 people.

The residents live mostly in overcrowded shacks along dirt roads, where beautiful flower beds and tiny but well-tended lawns suggest a community straining to nurture normalcy amid chaos.

Here as elsewhere, however, women and children are flooding medical and trauma clinics with chilling reports of rape.

Police have proved unable to cope with the avalanche of cases; child protection officers just set up shop here this month. The two nurses who serve 55 schools in the Orange Farm region are burdened with the heart-rending evidence of abuse, such as children soiling themselves in class. Some mothers have become so suspicious and frightened that they will not leave their men alone with the children at all.

If anything positive has emerged from the rape epidemic, it is that women are no longer silent: They are going to the police, to clinics, to the streets, to the news media.

In Orange Farm, foreign financing enabled residents to open a shelter for rape victims in December. But a month after it opened, a man raped a 19-year-old woman at the shelter while an accomplice tried to rape the 14-year-old daughter of the shelter manager. The rapist was charged but released on bail.

Ellen Mooi, the manager, generally counsels against vigilante violence. A pensioner turned child welfare advocate, Mrs. Mooi, 65, believes it is wrong to burn or beat people to death, as happened in a squatter camp recently to a man who raped a toddler. But, she says, Mrs. Mooi is growing fed up with the prevalence of rape and the leniency with which rapists are treated.

"If the women would kill about two or three perpetrators, the government will wake up and say 'O.K., no bail for rapists,' " she said.

What South Africa is experiencing, social scientists say, are the effects of profound social upheaval, combined with deep poverty, which left men feeling frustrated and socially impotent, driven to find outlets for the exercise of power.

ZAIRE: *Threat From Rebels Is Latest Calamity for Kisangani*

Continued from Page 1

northeastern end of a navigable stretch of the Congo that runs all the way to Kinshasa, the capital. It flourished for the many Belgians who prospered during a boom in coffee, cotton and rubber production late in the colonial era, when such commodities still fetched high prices.

To hear accounts of the series of collapses, booms and uprisings seen here since is almost dizzying.

At the start of independence, Kananga Province's effort to secede from the country, then known as the Congo, caused many Belgians to flee.

In 1961 the country's first prime minister, Patrice Lumumba, was slain. His strong ties with this city had been forged during his days as one of 350 clerks at the central post office. When his ministers tried to set up a government in internal exile here, more foreigners fled.

In 1964, in the so-called Simba rebellion, Kisangani was in rebel control for months, until CIA-paid Cuban exiles and Belgian mercenaries joined Belgian paratroopers to restore government control. All but seven Europeans were airlifted out of the city.

There were new troubles in 1966 and 1967. And in a nationalist economic gambit that proved disastrous for all of Zaire, the country's dictator, Mobutu Sese Seko, seized foreign-owned plantations, factories and businesses.

Still, even if many foreigners left, others wandered back. As well as Belgians, these were Greeks, Indians and, lately, Lebanese — people lusting after a piece of Zaire's natural wealth.

Marshal Mobutu's expropriations were far from the last blow that Kisangani has felt. Like nearly every other major city in the country, it was pillaged in 1991 and 1993 by rampaging soldiers of an ill-paid, demoralized army.

The same thing very nearly happened again in November, at the outset of the current rebellion.

Zairian soldiers fleeing the war zone in stolen trucks are said to have sacked every town and outpost between Bukavu and Kisangani. When they reached this city, they tried to besiege it, but the population resisted in pitched battles.

"The government rushed members of the Presidential Guard here to restore control," said a Zairian resident, "and before we knew it the guard was trying to loot us, too. Then they sent in troops from a special rapid deployment force, which went from hotel to hotel disarming the cowboys."

But many soldiers got away, hijacking steamers and barges that they loaded up with their booty and took to Kinshasa, a 10-day trip downriver.

Most of the soldiers were intercepted by other Zairian forces. But Kisangani's lifeblood, the river trade, dried up as a result of the mayhem. Boat owners do not allow their vessels to come here anymore.

Still, Kisangani has always found something new to lean on, be it uranium, gold or trade in tropical wood. Nowadays it is diamonds.

Beyond a few canned-goods stores, the only businesses in sight these days are the Lebanese diamond buyers. They have flocked here in recent years, setting up gaudy storefronts with names like "Mister Cash" and "Rambo Diamond," and buying up the precious stones that thousands of young men dig for in the generous soil of the region.

"The diamonds only became big in 1993," said Jerry Selenke, 57, a Roman Catholic lay worker from Kansas who has lived here for 14 years. "It used to be that you could literally buy anything in Kisangani. Now the only thing for sale is diamonds, and you can't even get young people to farm anymore."

In a ragged public square in the center of town, the paint is chipping from a stele that bears a slogan of Marshal Mobutu's would-be revolution: "One people. One country. One nation. One chief."

Zaire's leader of 31 years, who has cancer and is thought to be dying, once sought to forge a grand nation out of his divided country — one to be respected near and far.

35 Are Feared Dead In Lake Victoria

Reuters

NAIROBI — Up to 35 people were feared drowned Friday after a boat powered by an outboard motor capsized in Lake Victoria, leaving survivors clinging to hunks of wood, cans and baskets of fish.

A police spokesman, Peter Kimanthi, said that only four bodies had been recovered and that it was unclear how many passengers were on board. The police suspected the boat had been overloaded and Kenyan newspapers put the number of dead at about 35.

The boat was loaded with bags of maize and sugar, Mr. Kimanthi said.

He said it was used as a passenger vessel and had left its first port on the lake on Wednesday with 35 passengers. But the police suspected the vessel had picked up other passengers at three towns before sinking.

The Kenya Times said the dead included the boat's owner and three members of his family, and quoted a port official at Homa Bay as saying the boat picked up more people and more cargo at its second stop.

Officials appealed to the Kenyan Navy to help in rescue work.

WTO: *Phone Pact on Line*

Continued from Page 1

vice and international communications into and out of the country.

In a bid to assuage the United States, diplomats said, Japan has offered to let foreigners own up to 100 percent of any companies formed to compete in its telecommunications market.

Mexico is said to be balking at letting foreign companies own more than 40 percent of any domestic communications company. The United States, diplomats say, is pushing it to increase the limit on foreign ownership to at least 49 percent.

Privately, many analysts are betting that the countries will agree on an accord. Under that theory, the United States has passed the point of no return because the negotiations have already produced far greater commitments than had been achieved when talks broke down in April. To veto a deal, these officials said, would expose the Washington to intense criticism as the lone obstacle toward an important move in favor of free trade.

ART
INTERNATIONAL HERALD TRIBUNE
SATURDAY-SUNDAY, FEBRUARY 15-16, 1997
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The Perils of 'Exporting' Art

Museum Policies and Bad Laws Often at Fault

International Herald Tribune

LONDON — Seldom has so much noise been made about an outrage known for so long and accepted with such a light heart by those most concerned — that passion and greed in the collecting and the dealing world can lead to unethical actions or much worse, to untold destruction.

Unfortunately the incident that focused attention on the cavalier ways that the art world can find to

SOUREN MELIKIAN

suit itself, i.e. the now acknowledged export of a painting from Italy to Britain in breach of Italian export laws, helps in equal measure to confuse the issues at stake. The first one concerns the paintings and objets d'art created in the past few centuries that certain Western European countries are anxious to keep within their borders.

Sotheby's

The Nogari painting (detail).

Italy, for one, will not allow anything older than 50 years of age to leave its borders. It was in the news last week when it was stated in the British media that an 18th-century portrait by the Venetian artist Giuseppe Nogari bought in Naples by the English writer Peter Watson was taken to Sotheby's office in Milan and swiftly dispatched on the hush hush to London. There it surfaced in the Old Masters sale held on July 3, 1996. Sotheby's estimate stood at £7,000 to £10,000 plus the 15 percent premium. Watson's idea was to expose what he sees as a systematic operation set up by Sotheby's Milan agents to facilitate the illicit export of art for sale to London. He bought the portrait back and returned it to Italy to avoid abetting what he set out to expose.

To say that the bland portrait of an old woman holding a bowl of soup deeply stirred the attendance would be exaggerated. Nogari's work is highly forgettable. It took George Gordon, one of Sotheby's Old Master painting experts, one minute to knock it down to the reporter's colleague, who had posed as the consigner, at the low estimate, bringing the price up to £8,050. Apparently, the reporter who had conceived this sting operation was just about the only one to take any notice of the portrait.

That does not make the breaking of Italian law any more tolerable in principle. While not illegal in Britain, this sheds a crude light on auction house procedures. The unfortunate consequence, however, is that the sting operation draws attention to the inadequacy of such a law. If aimed at directing art toward Italian museums, it is ineffective.

Italian museums are bursting with works of art, of which thousands are kept in storage when museums, or parts of them, are closed, because there is not enough cash to pay the required number of guards. Nor is Italy alone in that predicament. There is just as much art that is inaccessible to the public in French museums, for similar reasons — not enough exhibition space, not enough money for elementary conservation.

Would it be a cultural tragedy for Italy to lose forever the opportunity of having one more picture stashed in a storeroom, face against the wall? If, on the other hand, the law was intended to encourage private connoisseurship by keeping a greater number of works within Italian borders, which would be a valid point, it is just as widely off the mark. Italy, with its intense love of art, would be a leading country of collectors if those who own anything were not so keen, above all, to conceal it from the tax collector's eye. The conflictual relationship that exists between art holders and officialdom is arguably the biggest single factor behind the illegal export of art out of Italy.

In France the situation, which is not good, looks to get a lot worse. There is currently talk of a bill to be submitted to the National Assembly whereby the French museums authority, which has seen its purchase grants drastically reduced, would be allowed to postpone indefinitely the export of works of art deemed of national interest but beyond its financial reach.

The day that law is implemented, the French will indulge more than ever in the favorite Gallic sport, which is to find a way of circumventing laws deemed offensive and inconvenient. Dealers, who are on the whole better placed than civil servants to assess what leaves a country and how good it is, concur that France's art losses have been enormous in the last four decades, even though the laws were draconian.

It would seem high time for art-rich Western European countries to face reality. If they are really serious about keeping their art within their borders, the only way is to give a lot more money to their museums and to allow greater leeway to their collecting communities. Restrictive laws may play well to a nationalist audience but they just do not work in the increasingly international world.

A second and more damaging element of confusion that the sting operation and the publicity that it received generated in the minds of the public concerns the illicit antiquities traffic. Hints at an organized effort to encourage the products of this traffic to be channeled out of India into the Sotheby's pipeline were dropped almost in the same breath as the condemnation of the unlawful export of paintings out of Milan. But there is no common measure between the gravity of the two kinds of alleged misdemeanor.

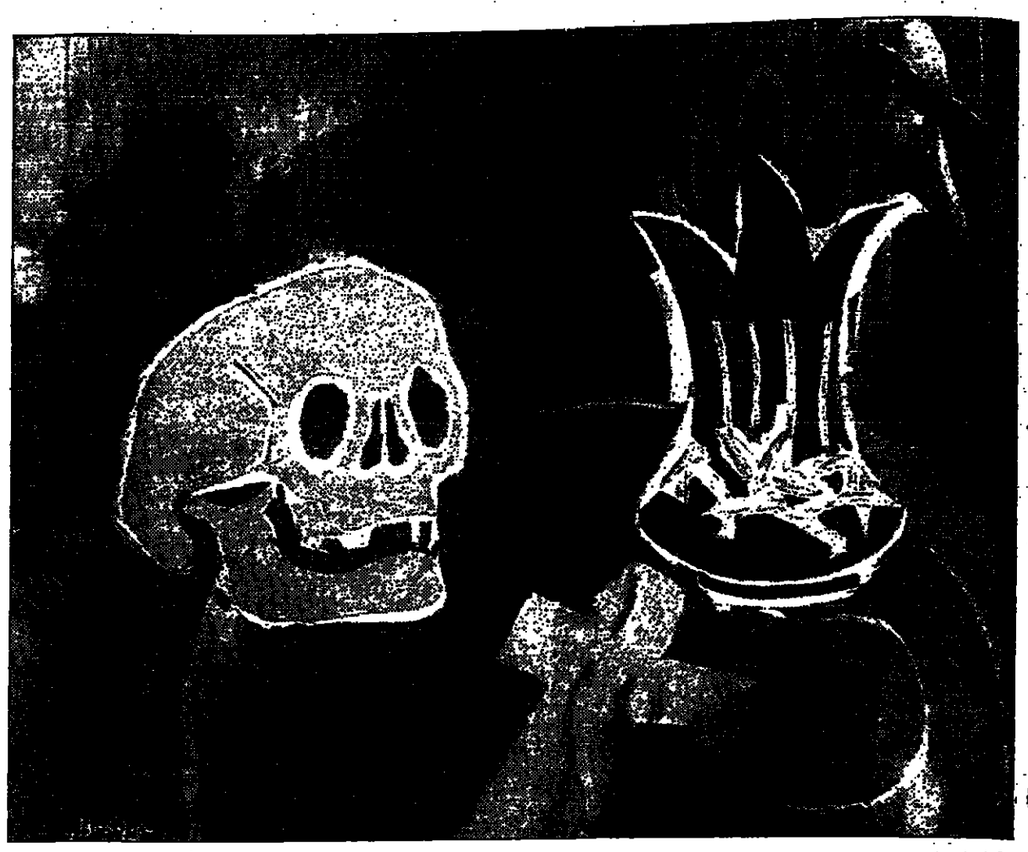
While carrying a picture from Milan to London entails no destruction, the least informed viewer going to an auction of Indian art gets some idea of the havoc from a single glance at the chopped off heads of Buddhas, the mutilated torsos of Hindu deities, the stone panels of Arabic and Persian monumental inscriptions broken up by those who cannot read them, the wooden doors and other architectural fragments ripped off mosques, Islamic mausoleums, and Mogul palaces.

AND why stop at India? When antiquities auctions take place in London, Paris or New York, sooner or later a trained observer catches sight of one or other of the wholesalers who consign pots and bronzes visibly fresh from the ground from somewhere in Turkey, Syria, Egypt or other countries.

Here the responsibilities are shared by many, most shockingly and hypocritically so by the museums in the West (and Japan rates as "Western" in this case) who buy such objects or accept donations of the said objects. The fact that the objects never have ID papers indicating that there might be a shred of moral legitimacy in trading in such wares is not seen as an objection. The fiction invoked is that they could come from "accidental finds."

The best of the art thus dug up does not turn up at auction, however. It is handled privately. One cannot help musing about the world famous discoveries some of these objects would have turned into if excavated in situ by archaeologists.

The art of Cambodia and Thailand has suffered huge casualties. These can often be measured by the horrendously fresh breaks on the sculpture carted around in the trade. It has deterred neither museums nor high-powered collectors. The justification invariably put forward boils down to "better with us, than with others." But if there was no buying, there would be little or no destruction. The export of the Nogari seems somewhat footling by comparison, however unethical.



"Vanitas (Still Life With Skull)," 1941-1954, in "Braque: The Late Works" at the Royal Academy of Arts.

Late Braque and Slow Time

By John Russell
New York Times Service

LONDON — In art, as in almost everything else, ours is the age of the quick fix, the glance that lasts hardly longer than a sound bite and the reputation shaped by marketing campaigns, talk shows and celebrity endorsements. It is a rare person who still believes that, as the poet John Keats once famously wrote, a work of art should be the "foster child of silence and slow time." Someone who agreed with that was the French painter Georges Braque.

More than 40 years after his retrospective at the Tate Gallery here, Braque's name once again stands high above one of London's major exhibition spaces. "Braque: The Late Works," on view at the Royal Academy of Arts, consists of 40 major paintings, produced between 1941 and 1962, plus a group of the small landscapes and seascapes done on the coast of Normandy between 1955 and 1959. Shorn of all references to the first 60 years of Braque's long life (1882-1963), the exhibition necessarily presents an incomplete account of his achievement.

Braque is remembered by most people for his celebrated collaboration with Picasso between 1908 and 1914. Working together almost indivisibly as partners and equals, they produced what was later called Cubism. In just a year or two, they shattered the dominion of perspective.

Then and for the rest of his life, Braque believed that "scientific perspective makes it impossible for us to take full possession of what we are looking at." It was in this belief that he gave an unprecedented spin to the standard subjects of art. Never did he do that more consistently than in the late paintings, which will travel to the Menil Foundation in Houston after they leave here on April 6.

His working partnership with Picasso came to an end with the outbreak of World War I in August 1914. Braque went off to war, fought with great gallantry and was badly wounded the following May. (He had a bullet lodged in his head and narrowly escaped being blinded for life.) Thereafter, he was a changed man physically. No longer a convivial companion and a keen amateur boxer well known for his mastery of what was then called "the English defense," he had to husband his strength.

In any full-scale retrospective, it becomes clear that from 1919 until 1939 Braque was consistently renewing himself. There were some relatively undemanding small-scale pictures in those years, but there were also the outright masterpieces that look more impressive year by year.

It was with these in mind that after World War II an informed public was excited to hear that Braque was at work on a majestic series of paintings of interiors. Spread first by the English collector Douglas Cooper and later (with a wealth of firsthand information) by the art writer John Richardson, this news arrived at a time when art-world expectations were very different from what they are today.

In 1945, the qualities of Keats's "slow time" were still prized, and Braque personified them. What is on view at the Royal Academy is the antithesis — the negation, in fact — of the quick fix. This is not an immediate art. Most of these paintings took years to make, and many of them were made in occupied France in very difficult conditions.

When working with a complicated interior, Braque would start from an idea that soon took shape on the canvas. "But then," he would say, "as I go on working, the picture itself takes over. There is a struggle between the idea — the picture as preconceived in advance — and the picture that fights for its own life."

A BILLIARD table, for instance, is about the most predictable thing there is. If anything can be called a given, this is it, with its green baize and polished brown wood. But in the big pictures of billiard tables at the Royal Academy, those sturdy centers of domestic amusement take on a wild new life of their own. They buck like broncos.

The climax of the show is undoubtedly the six majestic paintings dated 1949-56 from the "Studio" series. The studio had for a long time been the center of Braque's existence. It was in the studio that he redefined himself again and again during the last years of his life. He knew the subject matter thoroughly, since he looked at it every day for hours.

Whether in the city or the country, his studios faced southward. Curtains made of white cotton or cambric filtered the light, supplemented at times by whitewashed windows. Frail as he was, he still came across as the understated dandy who had a lifelong liking for denim and wore perfectly polished English loafers as he padded, inch by inch, from one canvas to another. As for the "Studios," they are like reimagined encyclopedias in which one object swaps identities with another, visual plots are thickened, and front and back change places.

These are huge, complex and difficult paintings that leave many visitors bemused. Not everyone gets the point of late Braque, but "silence and slow time" will win out.

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Thai Market Shivers Over Debt Rating

Review by Moody's Sets Off Gyrations In Shares and Baht

Compiled by Our Staff From Dispatches

BANGKOK — Thailand's currency and share prices plunged Friday, but later recovered, after a major credit-rating agency decided to consider downgrading the country's long-term sovereign debt ratings.

The central bank urged investors to stay calm, saying the problems were not as bad as people feared.

Moody's Investors Service Inc., which downgraded Thailand's short-term sovereign debt rating last September, said Friday it was placing Thailand's A-2 long-term rating — which means less than perfect — under review.

Moody's said high interest rates, a three-year property slump and the slowest economic growth in a decade would trigger increasing loan defaults. The U.S. rating agency questioned the "soundness" of Thai banks and said it might cut the ratings of five of them, including Bangkok Bank PLC, the nation's biggest.

The announcement sparked a sell-off in the Thai currency and stock markets, pushing the U.S. dollar as high as 26.220 baht early Friday, up from 26.018 Thursday. The baht recovered to close near 26.035, amid reports of central-bank intervention.

The benchmark stock index, which had plunged 3.4 percent Thursday, sinking below 700 points for the first time in five and a half years, dived another 4.5 percent to 664.45 in the Friday morning session.

Dealers reported that the Finance Ministry then ordered local mutual funds to start buying. Ministry officials had no comment. The market closed at 713.48, up 15.42 points from Thursday.

Analysts portrayed the declines in apocalyptic terms. It is "like watching a car crash in slow motion," said Todd Martin, associate director of research at SBC Warburg in Bangkok.

Lynn Exton, a Moody's vice president, said the rating agency was "concerned about the meltdown that's taking place in the property sector, and the impact that will have on the banking system."

But Thirachai Phuvanatnaranubala, director of supervision of financial institutions at the central bank, said he believed Moody's did not have complete information about his bank's actions to support troubled institutions.

He also said investors were overreacting. "The problem of asset quality being faced by Thai banks is correctable and isn't as bad as most people fear," he said.

Mr. Thirachai said Thailand had drafted sound plans to restructure the banks' nonperforming loans, many of which are the result of financial troubles at property companies.

Among other steps, he said, the central bank has helped organize a Resolution Trust Fund to help banks. But the central bank governor, Rerngchai Marakanond, has said the fund is more a vehicle for banks to obtain tax benefits from restructuring loans than a package that involves expenditures. Most analysts have said it will do little to help property companies or banks that made risky property loans.

Thailand's current-account deficit, one of the world's highest, is projected to reach about 7.4 percent of gross domestic product this year, a level Moody's called unsustainable.

"All Thailand needs is a couple of quarters of strong export growth, and all this pressure on the baht will be released," said John Woods, head of research at HSBC Markets in Hong Kong. Still, "I don't see that happening anytime soon," he said.

(AP, Bloomberg)

U.S. Producer Prices Fall Unexpectedly, While Output Stalls

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. producer prices dropped unexpectedly in January for the first time in more than two years while industrial output stalled, according to government figures released Friday — more evidence that America's economy is slowing while inflation remains in check.

The Labor Department's producer price index, which tracks prices paid to factories, farmers and other producers, declined 0.3 percent last month, the first decrease since October 1994. The index's core rate, which excludes food and energy costs, was unchanged from a month earlier. Declines in heating oil, meat and passenger cars led the drop, the Labor Department said.

Meanwhile, output at U.S. factories, farms and utilities was unchanged in January from December, restrained in part by weaker production of household appliances, the Federal Reserve Board said.

The operating rate for U.S. industry slipped to 83.3 percent in January from 83.5 percent a month earlier, indicating room for moderate growth without inflationary bottlenecks developing.

The drop in producer prices compared favorably to a worrisome 0.6 percent jump in December and was much better than the modest rise analysts expected.

"It suggests we can have a well-balanced economy where you avoid the extremes of a recession and stagnant growth but you also avoid an overheated economy that sends inflation noticeably higher," said Stuart Hoffman, chief economist of PNC Bank Corp. in Pittsburgh.

A worse-than-anticipated report could have rocked the stock market, where the belief that inflation is contained helped the Dow Jones industrial average break 7,000 for the first time Thursday, just four months after pushing past 6,000. The blue-chip average backed off slightly Friday. (Page 10)

Bond-market investors interpreted the economic reports as a sign that the Fed will have little reason to raise interest rates anytime soon to prevent a resurgence of inflation. That helped send Treasury-bond prices higher and yields lower.

Although the producer price index is more volatile than the consumer price index, which is due out Wednesday, its movements can foreshadow retail price changes.

While the nation's output of goods and services soared 4.7 percent in the final months of last year, consumer spending — the economy's driving force — showed signs of weakness last month. Retail sales rose a smaller-than-expected 0.6 percent in January, government figures showed Thursday.

Consumer confidence in the economy, though, remained upbeat in early February, a University of Michigan survey showed.

"The Fed, while it's concerned about rising wages, still doesn't see higher prices for finished goods," said Peter Kretzmer, an economist at NationsBank Corp. in New York. Fed policymakers meet March 25 to discuss interest rates.

In another sign of a well-balanced economy, business inventories fell 0.1 percent in December after holding unchanged in November, the Commerce Department said Friday. An unwanted buildup in inventories can cause layoffs and production cutbacks as businesses try to clear their shelves and backlots.

Prices for raw materials, including crude oil, showed the only big increase last month, rising 5.2 percent. That is the largest increase for raw materials prices since the Gulf crisis in October 1990. Prices for semifinished, or intermediate, goods rose 0.2 percent.

For all of last year, producer prices rose 2.8 percent, up from a 2.3 percent increase in 1995. The core rate, though, rose by 0.6 percent last year, compared with a 2.6 percent gain in 1995.

Although industrial production was flat in January, the fall in the rate of plant use to 83.3 percent from a revised 83.5 percent in December is one more sign that heavy industry still has excess muscle to meet demand without raising prices. The Fed revised down its calculation of factory and utility output in December to 0.5 percent from the previously reported 0.8 percent increase.

(AP, Bloomberg)

Surge Leaves Even Optimists Looking Sheepish

By Jonathan Fuerbringer
New York Times Service

NEW YORK — The surge of the Dow Jones industrial average past the 7,000-point level has been so swift this year that it has left even optimists like Hugh Johnson in the dust.

Mr. Johnson, the chief investment strategist of First Albany Corp., is just one of the crystal-ball gazing analysts who saw their 1997 Dow forecasts swept aside Thursday as the index burst through 7,000 for the first time. He predicted that the Dow would end the year at 6,900, which it passed Wednesday.

At least he forecast that the stock market would rise.

David Shulman, the chief equity strategist at Salomon Brothers Inc., said the Dow, which ended last year at 6,448.27, would fall to 6,200 by mid-year and 5,750 by year's end.

But both are standing their ground. Mr. Johnson is philosophical. Mr. Shulman is defiant. For both it is too early in the year to see any change in the propellants lifting the stock market.

"This will be the third year in a row that I was very low in my optimism," said Mr. Johnson, who welcomed the opportunity to defend his forecast. "But I don't attach a lot of significance to the number. What you need to do as an investor is to forecast the direction. So I don't feel bad that I predicted that stocks would go up and they went up more."

As for what happens now, Mr. Johnson said the market had done about the best it will do for the year; it just did it faster than he thought.

"I believe now with the Dow at 7,000 there are reasons to be worried," he said. "The market is overvalued, and the upside potential from here is not exciting." He has already advised his

See STOCKS, Page 10

ECONOMIC SCENE

Cheaper Way to Stop Global Warming?

By Peter Passell
New York Times Service

NEW YORK — Sternly worded petitions and ringing screeds of principle are as much a part of campus life as grade inflation — which is why Washington rarely takes them seriously. But Americans would do well to pay attention to a statement on global warming signed by 2,000 mostly academic economists.

For one thing, the signatures collected by Redefining Progress, a group of policy-minded social scientists based in San Francisco, range from the newish left (Duncan Foley of Barnard College) to the skeptical center (James Heckman of the University of Chicago) to the libertarian right (Gordon Tullock of the University of Arizona).

"Market-based approaches to coping with climate change generate as much consensus among economists as free trade," explains Paul Krugman of the Massachusetts Institute of Technology, one of the organizers of the policy statement.

More important, the statement focuses on what is now regarded by insiders as a make-it-or-break-it issue in slowing atmospheric warming: designing an international system that permits rich economies to contribute cash in lieu of emissions reductions.

"Allowing some to pay others to reduce greenhouse emissions could reduce the total cost by 80 to 90 percent," estimates William Nordhaus, an economist at Yale University and another organizer of the statement.

Like any committee looking for consensus, the drafters of the climate statement cast their net widely. "We believe that global climate change carries with it significant environmental, economic, social and geopolitical risks, and that preventive steps are justified," the unshocking introduction reads.

Those who read on, however, will discover there is meat on these bones: "Sound economic analysis," the authors argue, "shows that there are policy options that would slow climate change without harming American living standards."

And what might these policy options be? Here, the drafters stake out a position that seems almost obvious to economists, but has barely entered the consciousness of environmental policy makers. "A cooperative approach among nations is required — such as an international emissions trading agreement," the statement asserts.

Current rates of deforestation and combustion of carbon-based fuels — coal, oil, gas — are adding carbon dioxide into the atmosphere faster than the oceans can absorb it. The higher carbon dioxide concentrations trap solar energy. And while the pace of the resulting warming is in dispute, rising temperatures will probably change weather patterns radically and raise the level of the oceans.

Governments of all the major economies are vaguely committed to containing greenhouse gas emissions before once-a-century hurricanes become an annual event in the Caribbean, Kansas turns into a dust bowl and the Bay of Bengal doubles in size at the expense of Bangladesh.

But the process of setting emissions targets or creating political institutions to enforce the targets is in the talking stage.

"We wanted to be there early," said Stephen DeCanio of the University of California at Santa Barbara, "before governments and politicians were locked into positions."

The statement is intended to help the Clinton administration press the idea of creating an international market in emissions permits at the next global meeting on climate change, set for Kyoto, Japan, in December.

The idea is simple. If and when world leaders start to deal with the practical issues, they are apt to set national targets for containing emissions that will be very expensive to meet in the rich industrial economies, and probably will not be honored in the large emerging economies like China, Russia, India and Indonesia.

Creating an emissions trading system that allows already rich economies to pay the emerging economies to use less energy and less carbon-intensive fuels as they develop offers a double dividend. It reduces the cost for developed countries, in turn reducing the chances their legislatures will balk. And it creates a pool of capital to be used as an incentive to push emerging economies toward environmentally benign growth.

CURRENCY & INTEREST RATES

Cross Rates

Feb. 14

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.893	3.072	1.1226	0.3336	0.1130*	—	5.4405*	1.2948	1.5246*	1.4022	1.326*
Brussels	34.667	56.2715	20.6325	6.1125	2.082*	18.3815	—	23.183	0.2882	25.66	24.485*
Frankfurt	1.681	2.7295	—	0.2964	0.1014*	0.8898	4.8460*	1.1548	1.3594*	1.3465	1.1807*
London (a)	1.631	—	2.7234	9.2235	2,694.10	3.0674	56.3033	2.3706	201.3380	2.1865	231.3387
Madrid	142.77	231.459	84.715	25.096	8.597*	75.468	4.1055	97.841	115.10*	105.683	—
Milan	1,651.50	2,694.00	987.50	292.70	—	877.29	47.84	1,137.87	13.397	1,228.78*	11.627
New York (b)	—	1.622a	1.689	5.680	1,663.00	1.896	34.82	1.465	124.25	1.3492	142.755
Paris	5.680	9.223	3.3757	—	0.3454*	3.0072	0.1636	3.8987	4.5864*	4.2716	3.9855*
Tokyo	124.40	201.83	73.91	21.91	0.752	65.37	3.5835	15.46	—	92.26	0.8733
Toronto	1.347	2.188	0.7987	0.2366	0.0812*	0.7115	0.3074*	0.9208	1.0857*	—	0.9945*
Zurich	1.4571	2.368	0.8679	0.2571	0.0802*	0.7729	4.2049*	—	1.1796*	1.0842	1.0257*
1 ECU	1.1594	0.7151	1.9539	6.5958	1,925.41	2.1933	40.3177	1.6718	143.811	1.5661	165.491
1 SDR	1.3802	0.8516	2.3281	7.8518	2,282.85	2.611	41.0034	2.0112	172.00	1.860	197.005

Closings in Amsterdam, London, Milan, Paris and Zurich; fixings in other centers: New York and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	263.48	Mex. peso	7.786	S. Afr. rand	4.416
Australian $	1.3072	Hong Kong $	7.7491	N. Zealand $	1.4434	S. Kor. won	874.80
Austrian sch.	11.855	Hung. forint	174.02	Norw. krone	6.702	Swed. krona	7.38
Brazil real	1.0486	Indian rupee	35.92	Phil. peso	26.34	Taiwan $	27.53
Chinese yuan	8.3222	Indo. rupiah	2379.50	Polish zloty	3.03	Thai baht	26.03
Czech koruna	28.50	Irish £	0.6323	Port. escudo	169.59	Turkish lira	119195.
Danish krone	6.4221	Israeli shek.	3.3408	Russ ruble	5652.00	UAE dirham	3.6705
Egypt. pound	3.3985	Kuw dinar	0.2998	Saudi riyal	3.7500	Venez. boliv.	472.00
Fin. markka	4.989	Malay. ring.	2.4838	Sing. $	1.4173		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6190	1.6181	1.6171	Japanese yen	123.59	123.05	122.52
Canadian dollar	1.3490	1.3462	1.3434	Swiss franc	1.4592	1.4545	1.4496
Deutsche mark	1.6826	1.6793	1.6757				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Feb. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⁵⁄₁₆ - 5⁷⁄₁₆	3⅛ - 3¼	1⅝ - 1¾	6³⁄₁₆ - 6⁵⁄₁₆	3⁵⁄₁₆ - 3⁷⁄₁₆	⅜ - ½	4 - 4⅛
3-month	5⁷⁄₁₆ - 5⁹⁄₁₆	3⅛ - 3¼	1⅝ - 1¾	6⁵⁄₁₆ - 6⁷⁄₁₆	3⁵⁄₁₆ - 3⁷⁄₁₆	⅜ - ⁹⁄₁₆	4 - 4⅛
6-month	5⅜ - 5½	3⅛ - 3¼	1⅝ - 1¾	6½ - 6⅝	3⅜ - 3½	⅜ - ⁹⁄₁₆	3¹⁵⁄₁₆ - 4
1-year	6⅛ - 5¾	3³⁄₁₆ - 3⁵⁄₁₆	1⁹⁄₁₆ - 1¾	6⅝ - 6¾	3½ - 3⅝	½ - ⅝	3¹⁵⁄₁₆ - 4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⅛	5⁵⁄₁₆
90-day CDs dealers	5.34	5.37
180-day CP dealers	5.27	5.28
3 month Treasury bill	5.08	5.12
1-year Treasury bill	5.42	5.46
2-year Treasury bill	5.75	5.82
5-year Treasury note	6.05	6.13
7-year Treasury note	6.15	6.22
10-year Treasury note	6.26	6.34
30-year Treasury bond	6.52	6.65
Merrill Lynch 30-day RA	4.89	4.89
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.43
1-month interbank	0.56	0.56
3-month interbank	0.56	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.46	2.46
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.13
1-month interbank	3.18	3.18
3-month interbank	3.16	3.15
6-month interbank	3.15	3.15
10-year Bond	5.49	5.56

Britain		
Bank base rate	6.00	6.00
Call money	6.00	5⅛
1-month interbank	6³⁄₁₆	6⅛
3-month interbank	6⁵⁄₁₆	6⁵⁄₁₆
6-month interbank	6⅜	6⅜
10-year Gilt	7.07	7.12
France		
Intervention rate	3.18	3.10
Call money	3⁵⁄₁₆	3⁵⁄₁₆
1-month interbank	3¼	3¼
3-month interbank	3¼	3¼
6-month interbank	3⅜	3⅜
10-year OAT	5.37	5.43

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	342.85	+0.75
London	342.50	342.40	+0.15
New York	344.50	346.70	+3.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

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3	12	21	30	39	3	12	21	30	39	3	12	21	30	39	3	12	21	30	39
4	13	22	31	40	4	13	22	31	40	4	13	22	31	40	4	13	22	31	40
5	14	23	32	41	5	14	23	32	41	5	14	23	32	41	5	14	23	32	41
6	15	24	33	42	6	15	24	33	42	6	15	24	33	42	6	15	24	33	42
7	16	25	34	43	7	16	25	34	43	7	16	25	34	43	7	16	25	34	43
8	17	26	35	44	8	17	26	35	44	8	17	26	35	44	8	17	26	35	44
9	18	27	36	45	9	18	27	36	45	9	18	27	36	45	9	18	27	36	45

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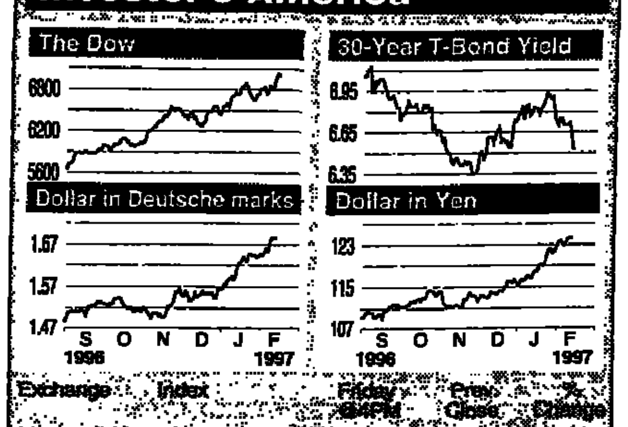
Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	6988.96	7022.44	-0.48
NYSE	S&P 500	808.45	811.82	-0.42
NYSE	S&P 100	787.39	791.27	-0.49
NYSE	Composite	422.48	423.42	-0.22
U.S.	Nasdaq Composite	1367.19	1370.81	-0.26
AMEX	Market Value	594.15	595.40	-0.21
Toronto	TSE Index	6209.19	6225.80	-0.27
São Paulo	Bovespa	86999.93	87649.23	-0.74
Mexico City	Bolsa	3825.11	3767.13	+1.54
Buenos Aires	Merval	725.86	723.65	+0.31
Santiago	IPSA General	5346.09	5355.76	-0.18
Caracas	Capital General	6636.94	6457.40	+2.78

Source: Bloomberg, Reuters — International Herald Tribune

Betty Boop and Rockabilly Update the Mercedes Image

Entertain-and-Sell U.S. Ad Effort Begins

By Stuart Elliott
New York Times Service

NEW YORK — Attempts to create warm, fuzzy feelings about the vehicles sold by Mercedes-Benz of North America continue with an extensive and expensive brand-image campaign — its largest ever — that seeks to play up the tonic in Teutonic.

The budget for the unconventionally emotional television, print, outdoor and interactive campaign, by Lowe & Partners/SMS in New York, is estimated at $45 million. An additional $55 million or so will be spent to peddle new offerings like the CLK coupe, SLK roadster and M-Class sport utility vehicle.

The image campaign is emblematic of a significant shift in marketing cars and trucks, which tries to drive customers into showrooms by entertaining and amusing them rather than inundating them with detailed product "specs" or shots of shiny sedans making sharp turns on rain-slicked roads.

Two agencies owned by Omnicom Group helped start the trend: TBWA Chiat/Day in Venice, California, for Nissan Motor Corp. U.S.A., and Goodby, Silverstein & Partners in San Francisco, for American Isuzu Motors.

The Mercedes-Benz campaign is infused with nontraditional ideas that would once have elicited outcries from executives at the parent, Daimler-Benz AG in Stuttgart.

There are Busby Berkeley-style production numbers, pop-culture figures from Betty Boop to the 1970s "happy face" and even a commercial centered on the song "Falling in Love Again" as warbled by Marlene Dietrich, whose work for the Allies during World War II alienated a generation of Germans.

The commercials, which began running Thursday, as well as the other elements of the campaign, are meant to "define this great marque in new ways," said Mike Jackson, a vice president at Mercedes-Benz of North America in Montvale, New Jersey.

The goal is to stress "not only the rational attributes of Mercedes-Benz being durable and safe," he said, "but the exciting emotional attributes of being innovative, fun to drive and youthful in spirit."

"We want the campaign to be contemporary," said Lee Garfinkel, the co-chairman and chief creative officer at Lowe, which is part of the Lowe Group unit of the Interpublic Group of Cos. Research shows attitudes about Mercedes-Benz changing, he said, from consumers "saying 'It's the best car' to saying 'It's the best car for me, relevant to today's lifestyles.'"

Mercedes-Benz's U.S. sales last year rose 18.4 percent, to 90,844, from 76,752 in 1995 — within striking distance of the corporate record of 99,000 set in the yuppie year of 1986.

"We feel we're in a position to set a new record in 1997," Mr. Jackson said. James Hall, vice president for industry analysis at the Southfield, Michigan, office of Auto Pacific Inc., a consulting company, predicted "a serious uptick" in sales to 106,000 to 109,000 by the end of 1998.

He praised Mercedes-Benz for turning from "the people interested in status and prestige, who are brutally unloyal to brands," to refocus "on what the equity of a Mercedes is" by "introducing cars at prices lower than those they've replaced."

"And the advertising has made people stand up and take notice by building awareness," Mr. Hall said. In one commercial, set at a news conference, Mercedes-Benz employees, including engineers in white lab coats, break into a rockabilly song-and-dance number. A second shows desert animals crooning and swaying to "Don't Fence Me In."

STOCKS: *Bulls Are Looking Sheepish*

Continued from Page 9

performance-oriented, risk-averse clients to move some of their money from stocks to bonds.

He quickly hedges, however, citing the variable that continues to confound even the market bulls — the record billions of dollars pouring into stock market mutual funds: "But given these strong flows into mutual funds, it's anybody's guess."

Mr. Shulman still insists that the Dow will end the year around 6,000. He expects earnings momentum to slow, interest rates to rise as the Federal Reserve Board moves to curb inflation by slowing economic growth, and stock-selling to increase after Congress moves toward approving a cut in the capital gains tax.

"It is no fun to be on the wrong side of the train," Mr. Shulman said. But, he added, "That whole brew will make for a correction. I don't see anything different from two weeks ago except that stock prices are higher."

The strategists having fun are those like Ralph Acampora, whose forecasts are comfortably above the 7,022.44 the Dow closed at Thursday. Not many are further out than Mr. Acampora of Prudential Securities, who in June 1995 said the Dow would hit 7,000 in the beginning of 1998 — that's right, next year.

"Everyone looked at me like I had a hole in my head," he said Thursday, recalling that the Dow was then around 4,500. "So this tells me that this is stronger than anything I had predicted." He has backed that up in his newest forecast, appropriately called "Beyond 7,000." His year-end number on the wall for the Dow is now 8,000.

Laszlo Birinyi, the head of Birinyi Associates in Greenwich, Connecticut, is also in the 8,000 club. "We believe an 8,000 Dow is not unreasonable," he said in his outlook for 1997.

And while Mr. Johnson of First Albany and Mr. Shulman of Salomon Brothers seem to have been run over by the flow of money into stock mutual funds, Mr. Birinyi is betting on them. "With money there," he said, "the market will continue to do better."

■ Stocks Slide Below 7,000

Stocks retreated from record levels late Friday as investors reappraised whether a two-year-long rally has thrust stocks to unsustainable levels, given that earnings are not expected to boom and interest rates probably will not come down, news services reported.

U.S. STOCKS

The Dow Jones industrial average closed at 6,988.96, down 33.48 for the day, after closing above 7,000 for the first time Thursday. Broader market indexes were also lower, but on the New York Stock Exchange advancing issues still edged out decliners by less than 10 to 9. The Standard & Poor's 500-stock index finished at 808.45, down 3.37, while the Nasdaq Composite index closed at 1,367.19, down 3.62.

Bank stocks rose after the release of U.S. economic data that pointed to low inflation, which reduces the possibility the Federal Reserve Board will raise interest rates soon.

Oil producers fell after a Merrill Lynch analyst cut his recommendation on Royal Dutch/Shell, saying crude-oil prices would drop soon. Chevron, Texaco and British Petroleum also fell. *(AP, Bloomberg)*

Very briefly:

Canada Forestry Giants to Merge

TORONTO (Bloomberg) — Abitibi-Price Inc. and Stone-Consolidated Corp., the top two forest products companies in Canada, said Friday they would merge in a stock swap that would create the world's biggest maker of newsprint, with a market value of 4.14 billion Canadian dollars ($3.06 billion).

Abitibi shareholders will receive one share in the merged company for every share held, and Stone shareholders will receive 1.0062 shares. The merged entity, to be called Abitibi-Consolidated Inc., will have annual sales of 4.9 billion dollars and control 8 percent of the global newsprint market. The deal is expected to be finalized in the second quarter.

Intel Invests in Samsung Chip Plant

AUSTIN, Texas (Combined Dispatches) — Intel Corp. is making an equity investment in Samsung Electronics Co.'s memory chip plant here, Samsung announced Friday.

Terms of the agreement were not disclosed, but the South Korean giant said it would retain full control of the factory.

Intel will get a specified supply of dynamic random access memory chips when the plant, still under construction, begins production in late 1997. DRAM chips are the main memory component in personal computers. *(AFP, Bloomberg)*

• **Susan Phillips**, a governor on the **Federal Reserve Board**, warned big banks and other financial institutions that they must disclose more fully the risks they take if they expect a lighter regulatory burden.

• **360 Communications Co.**'s fourth-quarter net profit jumped to $5.4 million, or 12 times more than in the like quarter of 1995.

• **The Metropolitan Council of Newspaper Unions**, which has orchestrated a 19-month strike against Detroit's daily newspapers, may soon announce an unconditional back-to-work offer, an official said.

• **Sears, Roebuck & Co.** plans to open 30 stores in New York City, the Daily News reported. *Bloomberg, AP, Reuters*

Dollar Mixed on Fears Of Central-Bank Action

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was higher against the Deutsche mark and other major currencies late Friday, but it was lower against the yen as markets reacted cautiously to the possibility of Japanese central-bank intervention to stop the dollar's nearly two-year rally, traders said.

In late trading the dollar was at 124.250 yen, down from 124.405 yen Thursday. It was at 1.6890 Deutsche marks, up from 1.6843 DM, at 5.6890 French francs, up from 5.6860 francs, and at 1.4650 Swiss francs, up from 1.4548 francs. The pound was at $1.6220, down from $1.6238.

Dealers said trading was calm in the approach to the three-day Presidents Day weekend in the United States. Currency markets in New York will be closed Monday.

The release Friday of U.S. economic data that pointed to moderate growth and low inflation did not appear to have affected the dollar, traders said. *(AFP, AFX)*

AMEX

Friday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	273	15¾	15½	15½	—⅛
AMC pf	404	28¼	28	28	—
ARC	226	4⅝	4⁹⁄₁₆	4½	—⅛
ASR Inv	139	24⅛	23⅞	23⅞	—
ATT Fd	136	89⅝	88⅝	88⅝	—⅞
AVIC Gp n	1112	3	2½	3	+⅛
Acceptance n	485	17⅜	16⅞	17	+½
AckGrp s	137	12	11½	12	+½
AdmRsc	320	16⅛	16	16	—⅛
AdvMed	618	5⅛	4⅞	5	+⅛
AirWat	340	5½	5⅜	5⅜	—⅛
Alcoa	100	2¹⁵⁄₁₆	2	2⅞	+¹⁄₁₆
Alamco	102	14⅝	13¾	14¼	+½
AHoogen	204	16	15⅝	16	—
AlldRsh	103	8⅝	8½	8⅝	+⅛
Amdhl	2695	10⅞	10⅝	10⅞	+⅛
AExpl	193	13⅝	13⅜	13½	—⅛
AIM 86	105	11⅞	11¾	11⅞	+⅛
Am List	197	24⅛	23¾	23½	+⅜
AmerPos	124	4³⁄₁₆	4⅛	4³⁄₁₆	+⅛
ARGInv	85	9⅝	9⁹⁄₁₆	9⅝	+⅛
ATechC	94	9⅝	9⅝	9⅝	—
Ampal	178	5½	5⅜	5⅜	—⅛
Ampex	2315	7⅞	7⅝	7⅝	—⅛
Andrea	338	11¼	10⅞	11	—⅛
Aerogrx	320	⁹⁄₁₆	⁹⁄₁₆	⁹⁄₁₆	—
Astrotc	410	6½	6⅜	6⅜	—⅛
Atlas wt	181	¼	³⁄₁₆	¼	+¹⁄₁₆
Audvox	2758	6⁹⁄₁₆	6⅜	6⁹⁄₁₆	—⅛
Autotote	495	1⁹⁄₁₆	1⅜	1⅜	—
Azco	1067	1⅜	1⅜	1⁷⁄₁₆	—
BAT Ind	151	17⁹⁄₁₆	17	17⁹⁄₁₆	+⁹⁄₁₆
Baker	111	7½	7⅜	7⅜	+⅛
Baldw	154	2⅜	2⅛	2⅜	+¹⁄₁₆
Balinty	111	22⅜	21¾	22⅛	—⅛
BT dep	210	25⅝	25½	25⅝	+⅛
Bayou	209	3	2¹⁵⁄₁₆	2¹⁵⁄₁₆	—¹⁄₁₆
BemaGold	1742	6¹⁵⁄₁₆	6⅝	6¾	+³⁄₁₆
BentPh	101	3⁹⁄₁₆	3⁷⁄₁₆	3⁹⁄₁₆	+¹⁄₁₆
BinkMf	103	40⅜	39⅝	40⅜	—⅛
BioR A s	224	28⅝	28⅜	28⅜	—½
BlkB409	141	11⅝	11⅝	11⅝	—
BlairCp	250	17¼	16⅞	17⅛	+⅛
Blessings	131	10⅛	9⅞	9⅞	—⅛
Bowmar	596	15⅝	15⅜	15⅝	+⅛
Bowne	249	28⅝	28⅜	28⅝	+⅛
Brandyw s	345	21⅝	21½	21⅝	+⅛
ForstLb	808	42⅛	40	40⅞	—1⅛
FortPet	132	2⅝	2⁹⁄₁₆	2⁹⁄₁₆	—¹⁄₁₆
FrnkSel	288	5⅝	5⅜	5⅝	—¹⁄₁₆
FreqEl	83	11⅞	11½	11⅞	—⅛
Friedm	139	6	5¹⁵⁄₁₆	5⅞	—⅛
FrontAdj	112	3⅞	3⅞	3⅞	—⅛
GST Tele	783	10	9⅞	10	—⅛
GamgB	108	4	3⅞	3⅞	—¹⁄₁₆
GaylCn	1338	6¹⁵⁄₁₆	6⅝	6⅞	—
GnAuto	828	2⅛	1¹⁵⁄₁₆	2⅛	+⅛
GenvDr	133	13⅜	13½	13⅜	—⅛
GetchGld	626	40⅞	39⅛	40⅞	+1⅛
GiantFd	406	33⅛	32⅝	33	—⅛
Gigitl	436	17⅛	16⅞	16⅞	—⅛
GlobSml	92	12⅜	12¼	12¼	+⅛
Globlink	111	3⅝	3⅛	3⅛	—¹⁄₁₆
GlVideo	211	1⅞	1¹³⁄₁₆	1¹³⁄₁₆	—
GldStarR	731	15⅝	15	15⅝	+⅛
GolfTrst n	239	24	23⅝	23⅝	—⅛
GrnSICA	195	12½	12⅜	12⅜	—
GreyhndL	2086	4⅜	4¹⁄₁₆	4³⁄₁₆	—³⁄₁₆
HallEP	117	9⅞	9⅝	9⅞	—¹⁄₁₆
Halsey	178	5⅝	5⁹⁄₁₆	5⁹⁄₁₆	—¹⁄₁₆
HallerM n	98	16	15⅞	15⅞	+⅛
HanoOr	261	6⅛	6	6	—
HanvDir	1424	1	⅞	1⁵⁄₁₆	—
Harken	3674	4⅝	4½	4⅝	—
Hasbro	3389	42½	42⅛	42½	+⅛
HowAir	463	3⅝	3½	3½	—⅛
Hearx n	2320	2⅞	2⅝	2⅞	+¹⁄₁₆
HomeVII n	284	18	17⅝	17⅞	—⅛
HomeV wt	139	8⅛	8	8⅛	—⅛
HovnEn	89	6¹⁵⁄₁₆	6¹³⁄₁₆	6⅞	+⅛
HudGn	328	40	39⅝	39⅝	+⅛
HungTel	98	10⅛	9⅞	10	+⅛
ICG Com	973	15½	14⅞	15⅛	—
Identix	1223	12	11½	11⅝	—⅛
ImpCHldg	179	24	23½	23⅝	+⅛
ImpHly	260	12⅝	12⅜	12½	+⅛
ImpOil g	734	47⅞	47⅜	47⅜	—⅛
InCPd	1187	4	3⅞	3¹⁵⁄₁₆	+⅛
InterDig	679	6⅛	6	6⁹⁄₁₆	—⅛
ecInfrme	1153	¼	³⁄₁₆	¼	+¹⁄₁₆
Intrmagn	289	11⅞	11½	11½	—⅛
IonLaser	140	10⅞	10⅝	10⅞	—
IvaxCp	2909	12⅝	12⅜	12⅝	—⅛
JTS Corp	4705	3⅛	2¹⁵⁄₁₆	2¹⁵⁄₁₆	—¹⁄₁₆
JanBell	199	2⅛	2¹⁄₁₆	2⅛	—¹⁄₁₆
Jonsimi	152	13⅞	13⅝	13⅞	+⅛
KV Ph A	288	19¼	18⅝	19⅛	+½
KatzM	1329	8	7⅜	7⅜	—⅛
Keane s	429	35⅝	35⅛	35⅝	—
KeyEng	1188	13⅞	13½	13⅞	—
KogrEq	312	18⅝	17⅝	18⅝	+⅜
SoapCm s	135	22	21⅛	21⅞	—
SMonBk	214	18⅛	18⅛	18⅛	+⅛
SentryT n	448	3⅞	3½	3¹⁵⁄₁₆	+¹⁄₁₆
Servico	179	17⅞	17⅝	17⅝	—⅛
ShefldMd	143	3⁹⁄₁₆	3⅜	3⅜	—⅛
SheltCm s	132	10⅞	10¼	10¼	—⅜
SmBAOA	172	32	31⅝	32	—1⅛
SmtBln	84	10⅛	10	10	—
SmtBrnM	124	14⅛	14⅛	14⅛	—¹⁄₁₆
ecSofgen	210	¹⁵⁄₁₆	⅞	⁹⁄₁₆	—¹⁄₁₆
SpatialT n	329	4⅛	4	4⅛	+⅛
SPDR	10449	81¹⁵⁄₁₆	80¹⁵⁄₁₆	81⁹⁄₁₆	—¹⁵⁄₁₆
SP Mid	470	52¹⁵⁄₁₆	52⅞	52¹⁵⁄₁₆	+1¹⁄₁₆
SlevinA	255	⅝	⅝	⅝	—⅛
StrpCmp	219	18⅜	17⅞	17⅞	—⅜
SubstAbos	1427	1⅝	1⁹⁄₁₆	1⅝	—¹⁄₁₆
Sulcus	665	1⅞	1¹³⁄₁₆	1¹³⁄₁₆	—⅛
TeInR	86	17⅞	17	17⅞	+⅜
TelDta	12932	37	36¹⁵⁄₁₆	36⅞	—
Tenera	103	1⁹⁄₁₆	1⁹⁄₁₆	1⁹⁄₁₆	—¹⁄₁₆
TexBiotch	475	4⅝	4⁹⁄₁₆	4⅝	—¹⁄₁₆
TexMer	426	15⅝	15⅛	15⅛	—⅛
Thermed	1036	20⅛	19⅞	19⅞	—⅛
ThrmBio n	88	11⅞	11⅞	11⅞	—⅛
ThCar s	217	30⅛	29½	29½	—⅜
TmEco s	181	14⅝	14⅜	14⅜	—⅛
ThrFibr n	434	9⅝	9⅜	9⅝	+¹⁄₁₆
ThrFibr rt	317	3⅝	3⅛	3⅝	—⅛
ThmFib s	119	11⅛	10⅞	10⅞	—⅛
Thrlnst	386	36⅛	35½	35⅝	—⅛
ThmoOp n	283	11⅞	11⅝	11⅞	+⅛
ThrmRe	143	7⅛	7¹⁄₁₆	7⅛	+¹⁄₁₆
ThrSpect	354	15⅛	14⅝	15⅛	+½
Thrmdsp	1576	14	13⅝	13⅞	+⅛
Thmqst n	351	15½	15	15½	+½
Thrmotx	234	31⅝	30⅝	31⅛	+⅜
Tipperary	200	4¹⁵⁄₁₆	4¹³⁄₁₆	4⅞	+¹⁄₁₆
TopSrce	397	2⅝	2½	2⅝	+¹⁄₁₆
TotlPet	357	10	9⅞	10	—
TownCty	338	¹³⁄₁₆	⅝	⅝	—
TWA wt	132	4	3⅞	3⅞	+⅛
TWA	9203	6¹⁵⁄₁₆	6⅝	6¹³⁄₁₆	+⅛
Tramml n	185	14⅝	14¼	14⅝	—
TransMed n	488	13⅛	12⅞	13	+⅛
TriTech	232	6⅜	5⅞	5¹⁵⁄₁₆	—¹⁄₁₆
Triton	169	⁹⁄₁₆	½	⁹⁄₁₆	—
TubMex	1848	17	16⅞	17	+⅜
USFGP	615	17⅜	17	17⅛	+⅛
UTI Eng	157	25	24⅛	24⅝	+½
Unilab	1242	⅞	¾	¹⁵⁄₁₆	—
Unimar	506	4⅛	4⅛	4⅛	—¹⁄₁₆
UniqMbl	345	3⁹⁄₁₆	3⁷⁄₁₆	3⁹⁄₁₆	+¹⁄₁₆
USBiosd s	1946	15⅝	15	15	—⅜
US Cell	1387	27⅜	26⅛	27⅜	+1
VKAdM2	177	12	11⅞	11⅞	—⅛
VKSelS	297	10⅞	10⅞	10⅞	—
Viacom	2715	34⅛	33	33⅝	—⅜
ViacB	11666	34⅝	33	33⅝	—1⅛
ViacwtE	91	2⅛	2⅛	2⅛	—¹⁄₁₆
ViatelG g	144	1⅝	1⅝	1⅝	—
Vitronic	192	1⅞	1⅝	1¹³⁄₁₆	—¹⁄₁₆
WRIT	361	17⅞	17⅝	17⅝	+⅛
Webcoind	84	6¹⁵⁄₁₆	6⅞	6⅞	—
WIRET	1117	13	12⅞	13	—
WhitmE s	386	4½	4	4½	+⁹⁄₁₆
WirelssT s	422	11⅞	11½	11½	—⅛
WEB HK n	125	15	14⅝	15	—⅛
WEB Itl n	403	16¹⁄₁₆	15⁹⁄₁₆	15¹⁵⁄₁₆	—⅛
WEB Jpn n	4491	11¹³⁄₁₆	11⁹⁄₁₆	11¹¹⁄₁₆	—¹⁄₁₆
WEB Mal n	95	15⅝	15⅝	15⅝	—¹⁄₁₆
XCL Ltd	3190	¼	³⁄₁₆	¼	—
Xytron	453	1⅝	1⁹⁄₁₆	1⅝	+¹⁄₁₆

EGYPT

LIBERALIZATION. DEREGULATION. PRIVATIZATION.

Our policies for this stage of our economic program aim at one fundamental goal – growth... one that is sustainable, one that reflects the true potential of this country. To this end our policies rely on three main dimensions of action: Increased investments, greater openness to the global economy, and increased productivity.

– President Mohamad Hosni Mubarak
Inaugural Address Mena Conference
November 12, 1996

WONDER OF THE PAST,
YOUR INVESTMENT FOR THE FUTURE

Press and Information Department, Ministry of Foreign Affairs, Corniche El-Nil Street, Maspero, Cairo. Tel: 20-2-574-7834 Fax 20-2-574-7248.

Stock	Sales	High	Low	Latest	Chge
Brscn g	90	22⅝	22⅛	22⅝	—⅛
BritBio n	542	5⅞	5⅜	5⅞	+⅛
Buffton	240	2⅝	2⅛	2⅛	—
CE Frnk g	183	4⅞	4⅜	4⅞	+⅛
CFX Cp	101	18⅛	17⅞	17⅞	—½
CIM	239	7⅞	7¹³⁄₁₆	7⅞	—
Cablvsn	273	34⅞	34	34⅞	—
Cablvs pf	122	22⅝	21¼	22⅝	+⅛
Cambior	498	14⅛	14⅜	14½	+⅛
CanyonRs	508	2¹¹⁄₁₆	2⅝	2⅝	—¹⁄₁₆
Cardich n	109	2⅞	2⅞	2⅞	+⅛
Caramix n	671	18⅛	17¼	18	+⅛
CastIAM s	721	20⅝	20	20½	+⅛
CFCda g	719	4⅜	4⅛	4⁹⁄₁₆	—¹⁄₁₆
CentSe	198	28	27⅜	28	+⅛
ChadThr	223	14⅛	13⅝	13⅝	—⅛
ecChesBio	132	5⅜	5	5⅜	—
Chief	1792	24	23⅛	23⅝	+⅜
Chadel	89	7¹⁵⁄₁₆	7⅞	7⅞	—¹⁄₁₆
CirFin n	324	15⅛	14⅝	15⅛	+½
Cognitrn	84	4⅞	4⅞	4⅞	+⅛
CalLb	1119	15⅝	15⅜	15⅜	—⅛
CmclAst	110	7	6⅞	6⅞	—⅛
CmdrAp n	419	8⅛	7¹³⁄₁₆	7¹³⁄₁₆	—⁵⁄₁₆
CmtyCap n	295	12⅜	11⅞	12	—⅛
CompTch	83	11⅛	10⅞	11	—⅛
Comptek	321	7	6⅞	7	+⅛
Continucre	279	8½	7⅞	7⅞	—⅜
CoreMatl	106	3	2⅞	2¹⁵⁄₁₆	—¹⁄₁₆
Cross	254	12	11⅞	11⅞	—⅛
CrnCP B	105	12	11⅞	11⅞	—
CrustAm	461	4⅝	4⅜	4⅝	—
Cycom gs	207	3⅝	3⅛	3⁹⁄₁₆	+¹⁄₁₆
DI Ind	1587	2¹⁵⁄₁₆	2⅞	2⅞	+⅛
DakotaM	83	1⅞	1¹³⁄₁₆	1⅞	+¹⁄₁₆
DaniHd	132	10⅝	10⅜	10⅝	—
Datamet	395	2¹⁄₁₆	2	2¹⁄₁₆	+⅛
Dataram	193	10½	10	10⅜	—⅛
Daxor	408	11	9⅝	9⅝	—1⅛
DaytonMn	692	5	4¹⁵⁄₁₆	5	+¹⁄₁₆
DelLab s	131	22⅛	21	21⅞	+⅜
DevnE	838	34⅛	33⅝	33⅞	+⅜
DigPwr n	115	6⅞	6¼	6⅞	+⁵⁄₁₆
DionTIc	133	7⅞	7⅞	7⅞	—¹⁄₁₆
Donnelly s	707	17⅛	16⅞	17⅛	—
Drewlnd	389	27⅛	26⅞	26⅞	+⅛
DryWu	125	9¹⁵⁄₁₆	9⅞	9¹⁵⁄₁₆	+³⁄₁₆
EZ Serv	250	1⅝	1⁹⁄₁₆	1⁹⁄₁₆	—¹⁄₁₆
EZEM B	115	12	11⅞	11⅞	—⅛
EchoBay	12095	6⅞	6⅝	6¹³⁄₁₆	+³⁄₁₆
Edisto	123	9⅝	9⅜	9⅝	—
Edtek	950	⅛	⁵⁄₁₆	⅜	—
ElPasoE	1006	7⅝	7⅜	7⅜	—⅛
Emeritus	118	11⅝	11⅜	11⅜	—⅛
EmerR	1548	1⁹⁄₁₆	1⅝	1¹³⁄₁₆	—
EmpCar	324	3⅝	3⅝	3⅝	—⅛
EnzoBi	662	17	16⅝	16⅞	—⅛
Equisure n	137	8⅛	7⅝	8⅛	+⅛
FarmTel s	119	3⁹⁄₁₆	3⅝	3⅝	—⅛
Fibrbd	72	34⅛	34⅛	34⅛	—⅛
FlAust	906	8⅞	8⁹⁄₁₆	8⅞	+⅛
FAusPr	2400	8¹³⁄₁₆	8¹¹⁄₁₆	8¹³⁄₁₆	—
FstledA n	185	15	14⅝	14⅝	—⅛
FloRck	176	34⅛	34	34	+⅛
Krug	195	5½	5⅜	5⅜	—⅛
LXRBiot	377	2⅛	2⁹⁄₁₆	2⁹⁄₁₆	—
LaBarg	716	6⅝	6⅝	6⅝	+⅛
MAI Sys	227	6⅝	6⅜	6⅝	—⅛
MagnPet	492	6⅜	6	6⅛	—
MaximPh n	444	9¹⁵⁄₁₆	9¼	9⅝	+⅛
MaxmP wt	295	2⅞	2⅝	2⅞	+⅛
Maxxam	95	48⅛	47	48¼	+1
MeasSpcl	7144	4⅛	3⅞	4⅛	+⅜
MedcR	297	12⅝	12⅝	12¼	—⅛
Media	308	31¼	31⅛	31½	—
MedaLog	143	3¼	3	3¼	+³⁄₁₆
Medtx	359	7¹⁵⁄₁₆	7⁹⁄₁₆	7⅞	—
MercAir	90	7⅞	7⅝	7⅞	+⅛
MLRussWt	282	4⅞	4⅛	4¹⁵⁄₁₆	—⅛
ML TTY n	124	10½	10⅛	10½	—
Metromda	941	11⅞	10⅝	10⅝	—⅜
MidslRty	123	11½	11	11⅛	+⅛
Miamtry	182	12⅛	11⅞	12⅛	—
Morgnr	150	½	⁹⁄₁₆	¾	—
MS TMX	87	41⅝	41	41⅞	—⅜
MSNik 97wt	211	3⅞	3⅛	3½	—⅛
MntasioE	177	3⅞	3⅝	3⅝	—
MovieStr	161	⅞	¹³⁄₁₆	⅞	+¹⁄₁₆
MuniMtg n	191	17½	17⅛	17⅛	—⅛
Munvst	381	9⅝	9⅜	9⅝	—
NTNCom	1308	4⅝	4⅛	4⅝	+⅛
NVR	347	13⅞	13	13	+⅛
Nabors	6845	17⅛	16⅞	17⅛	+⅛
NatBev s	125	8	7⅞	7¹⁵⁄₁₆	+¹⁄₁₆
NtPoint	167	7⅞	7⅞	7⅞	—¹⁄₁₆
NY Times	2379	43⅞	43⅛	43⅞	+⅛
NA Vacc	385	23⅞	24⅛	24⅛	—⅛
Novqax	181	4⅛	4¹⁵⁄₁₆	4⅛	+⅛
OmniMult	434	1¹⁵⁄₁₆	1⅞	1⅞	—
Oncor	773	4⁹⁄₁₆	4⅜	4⁹⁄₁₆	—¹⁄₁₆
Oncormd	278	7⅞	7⅝	7⅞	+⅛
Organgn	234	25⅝	25	25⅝	+⅛
PC Quote	128	7¹⁵⁄₁₆	7⅞	7¹⁵⁄₁₆	—¹⁄₁₆
PGECap pf	198	25	24⅞	24⅞	—
PLC Sys	316	26⅛	26⅛	26⅛	—½
PGEnB	701	18⅝	18½	18⅝	+½
PanAmC n	147	8¼	8	8⅛	—
PegnC	1096	8⅝	8⅜	8⅜	—⅛
PegGld	4437	8¹⁵⁄₁₆	7⅞	8⁹⁄₁₆	+½
PeopleTel	85	3⅞	3⅝	3⅞	+¹⁄₁₆
PhoNet	731	3¹⁵⁄₁₆	3	3⅝	+⅛
Phonetel	307	4⅛	3⅞	4⅛	+⅛
PitDsm	282	43½	40⅞	43	+2⅛
PinRsc	231	14⅝	14⅛	14⅛	+¼
Polymed	185	6	5⅞	6	+⅛
PortSys s	85	15⁹⁄₁₆	15⁹⁄₁₆	15⁹⁄₁₆	+¹⁄₁₆
PradLs	788	17⅞	16⅞	17	—
ProCtr	238	8⅝	8⅜	8⅝	—
Pricell s	418	9⅞	9	9⅝	+⅛
PropCT	211	8	7¹⁵⁄₁₆	7¹⁵⁄₁₆	—
PsycCp	94	7⅛	7	7	—¹⁄₁₆
PuroWtr n	434	6¹⁵⁄₁₆	6	6¹⁵⁄₁₆	+¹⁄₁₆
RaaGold	445	⅝	⅝	⅝	+¹⁄₁₆
Riser	336	33⅞	33⅛	33⅞	—
Rogers	195	28⅞	28⅛	28⅛	—⅛
RoyalO g	4655	3⅝	3⅝	3⅝	+³⁄₁₆
SaboPet s	3684	18⅛	15⅞	18⅛	+2⅛

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	3:00pm	Chg.
Indus	7017.55	7024.75	6983.95	6997.42	—25.02
Trans	2365.40	2366.81	2357.08	2362.94	—0.30
Util	232.53	232.95	231.90	231.90	—1.26
Comp	2161.42	2162.90	2152.70	2156.39	—6.21

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4:00
Industrials	948.65	938.92	947.33	942.45
Transp.	559.33	556.06	559.33	561.10
Utilities	200.87	200.03	200.87	200.24
Finance	95.04	92.51	94.86	94.99
SP 500	812.93	802.77	811.82	808.45
SP 100	792.47	783.14	791.22	787.39

NYSE

	High	Low	3PM	Chg.
Composite	424.84	423.14	423.95	—0.47
Industrials	531.16	529.14	530.27	—0.76
Transp.	366.22	364.83	365.40	+0.12
Utility	275.97	273.70	273.82	—1.98
Finance	397.57	395.64	396.88	+1.24

Nasdaq

	High	Low	3PM	Chg.
Composite	1371.12	1365.82	1367.75	—3.06
Industrials	1148.95	1144.22	1145.98	—2.90
Banks	1400.99	1398.45	1400.99	+2.26
Insurance	1494.72	1485.93	1494.00	+10.11
Finance	1751.80	1743.91	1751.80	+10.28
Transp.	879.18	873.24	876.97	+0.66

AMEX

High	Low	3PM	Chg.
596.39	593.48	594.70	—0.70

Dow Jones Bond

	Close	Chg.
20 Bonds	103.50	+0.12
10 Utilities	100.25	+0.02
10 Industrials	106.76	+0.23

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
MicrnT	51655	34⅝	33⅝	34⅞	+⅞
PepsiCo s	41617	32⅝	31⅝	32⅝	+½
BancOne	37947	46¼	45⅜	45⅞	+⅜
StoneC	33656	14	12⅝	13⅝	+¼
Merck	31916	99⅝	97⅝	97⅝	—2
UHlthCr	30598	53⅝	51⅛	53	+2⅛
HewlPk s	30470	50⅜	49⅞	50⅝	—
IBM	27858	147⅛	144	145	—1⅝
Motorola	23852	64⅞	62⅞	63⅝	+⅛
WalMart	23181	24⅞	24⅛	24½	—⅛
Fst USA s	23024	51⅛	50½	50⅝	+⅛
Lucent n	22321	58⅝	56⅞	57⅛	—1⅛
BarrickG	22184	27	26	26⅝	—⅛
AT&T s	22149	39⅜	39⅛	39⅜	—
FordM	21916	33⅛	32⅝	32⅞	+⅛

Nasdaq

	Vol.	High	Low	3PM	Chg.
Intel	71924	157	153½	154⅝	—2⅛
Cisco s	69598	63	61⅞	62⅛	+⅜
3Com	59569	42⅛	41⅛	41⅛	+⅛
Micsoft s	55510	100⅛	98	98⅞	—1⅛
WorldCm s	39121	27⅞	26⅞	26⅝	—½
AsldWat	44716	53⅞	51⅜	53⅛	+⅜
Atmel	42066	40⅝	38⅞	39⅝	+⅞
Informx	40025	19⅝	18⅝	19⅛	+⅛
CiscoCm s	30222	35	32	32⅞	—1⅛
DellCpt s	36306	71⅞	69⅞	70⅝	+⅞
ReadRt	32880	27⅛	24½	26⅜	—1
US Robt s	30189	63⅝	60½	62⅝	+1⅞
SunMic s	29768	35	34⅛	34¹⁵⁄₁₆	—¹⁄₁₆
Amerin	29812	20⅛	19¹⁵⁄₁₆	20¼	—⅛
Amgen	28903	59⅝	57½	58⅞	+1

AMEX

	Vol.	High	Low	Last	Chg.
TelDta	12932	37	36¹⁵⁄₁₆	36⅞	—
EchoBay	12095	6⅞	6¹¹⁄₁₆	6¹³⁄₁₆	+³⁄₁₆
ViacB	11666	34⅝	33	33⅝	—1⅛
SPDR	10469	81¹⁵⁄₁₆	80¹⁵⁄₁₆	81⁹⁄₁₆	—¹⁵⁄₁₆
TWA	9203	6¹⁵⁄₁₆	6⅝	6¹³⁄₁₆	+⅛
Nabors	6845	17⅛	16⅞	17⅛	+⅛
WEB Jpn n	6491	11¹³⁄₁₆	11⁹⁄₁₆	11¹¹⁄₁₆	—¹⁄₁₆
JTS Corp	4705	3⅛	2¹⁵⁄₁₆	2¹⁵⁄₁₆	—¹⁄₁₆
RoyalO g	4655	3⅝	3⅜	3⅝	+³⁄₁₆
PegGld	4437	8¹⁵⁄₁₆	7⅞	8⁹⁄₁₆	+½

Trading Activity

NYSE

	Noon	Prev.
Advanced	1273	1732
Declined	1080	844
Unchanged	859	769
Total issues	3212	3345
New Highs	218	325
New Lows	8	15

Nasdaq

	Noon	Prev. Close
Advanced	1738	2231
Declined	1846	1813
Unchanged	2170	1710
Total issues	5754	5754
New Highs	144	283
New Lows	40	79

AMEX

	Noon	Prev.
Advanced	221	293
Declined	216	259
Unchanged	178	188
Total issues	615	740
New Highs	18	37
New Lows	1	7

Market Sales

	Today 4:00	Prev. cons.
NYSE	480.14	713.64
Amex	19.02	25.49
Nasdaq	551.21	730.41

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Am Balanced Fd	-	.29	2-14	2-18
STOCK SPLIT				
Nuclear Metals 2 for 1 split.				
Pitt-Des Moines 3 for 2 split.				
Seafield Cap 1 SLH Corp for each 4 Seafield held.				
Thermedics Inc one right for every 10 Thermedics common shrs held.				
Tridex Corp 1 share of TransAct for each shr held.				
STOCK				
Comnd Bncsh W VA	-	10%	2-28	3-14
INCREASED				
Abbott Labs	Q	.27	4-15	5-15
Allied Cap Commrcl	Q	.51	3-14	5-31
Mooney Rlty Tr	Q	.22	3-17	3-31
Utd Dominion Industries	Q	.07	3-7	3-31
Vulcan Materials	Q	.47	2-24	3-10
Willamette Ind	Q	.32	2-24	3-14
REDUCED				
Current Incom Shrs	Q	.20	2-28	3-14
INITIAL				
Pitt Des Moines n	-	.275	3-14	3-28
REGULAR				
Arvin Indust	Q	.19	3-7	3-31
Brascan Ltd g	Q	.26	5-1	5-31
Comnd Bncsh W	-	.30	2-28	3-14
Consol Papers	Q	.42	2-24	3-7
Corus Bkshrs	Q	.125	3-27	4-10
Fst Chicago NBD	Q	.40	3-7	4-1
Huffy Corp	Q	.085	4-15	5-1
IL Pwr adjpf A	Q	.75	4-10	5-1
KN Energy	Q	.27	3-14	3-31
Liberty Fincl	Q	.15	2-26	3-12
Midland Bk A	b	.5547	2-28	3-17
Midland Bk B	b	.6406	2-28	3-17
Midland Bk C	b	.5703	2-28	3-17
Midland Bk D	b	.5969	2-28	3-17
Noranda Inc g	Q	.25	2-28	3-14
PXRE Corp	Q	.21	2-24	3-12
PacifiCorp	Q	.27	4-17	5-15
Pennzoil Co	Q	.25	2-28	3-15
Realty Inco Corp	M	.1575	3-3	3-17
Seafield Cap	Q	.30	2-25	3-4
SunTrust Bks	Q	.225	2-28	3-14
Trico Bncshrs	Q	.16	3-10	3-31
Union Electric	Q	.635	3-10	3-31

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Feb. 14, 1997

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	276¼	274	274½		104,675
May 97	276	273½	274¼	+ ½	87,014
Jul 97	274	270¾	272¼	+ 1	72,954
Sep 97	268½	267½	267½	— ¾	10,852
Dec 97	268½	267½	268	— ¼	46,821
Est. sales N.A. Thu's. sales 45,112					
Thu's open int 328,851 off 272					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	248.40	247.10	247.60	—1.20	33,396
May 97	243.00	242.00	242.40	—1.10	25,765
Jul 97	240.40	239.40	240.00	—1.00	23,344
Aug 97	237.20	236.40	237.00	—1.00	4,263
Sep 97	230.50	229.50	229.50	—1.10	3,030
Oct 97	219.00	218.50	218.50	—1.30	1,178
Est. sales N.A. Thu's. sales 23,517					
Thu's open int 94,966 up 144					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	23.90	23.73	23.76	—0.08	37,089
May 97	24.28	24.12	24.15	—0.08	24,495
Jul 97	24.67	24.55	24.55	—0.06	15,917
Aug 97	24.80	24.80	24.80	+0.05	3,251
Sep 97	24.95	24.95	24.95	+0.10	2,735
Oct 97	25.00	24.96	24.96	—0.07	864
Est. sales N.A. Thu's. sales 16,491					
Thu's open int 91,109 off 181					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	765	761½	762¼	—3¼	67,163
May 97	765	761½	762¼	—3	42,729
Jul 97	764¾	762	762¼	—2¼	27,785
Aug 97	760	758	758	—2¾	6,193
Sep 97	726½	724½	725	—2¼	2,053
Est. sales N.A. Thu's. sales 76,489					
Thu's open int 176,626 off 50					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	362	357	358	—1	23,135
May 97	360	356	356½	—½	17,251
Jul 97	344¼	342	342½	—½	27,458
Sep 97	348	345½	345½	—½	2,330
Est. sales N.A. Thu's. sales 17,145					
Thu's open int 73,461 up 1018					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	66.57	66.25	66.42	+0.07	42,870
Jun 97	64.15	63.97	64.02	—0.12	17,525
Aug 97	63.82	63.60	63.72	—0.02	18,427
Oct 97	67.50	67.27	67.35	—0.20	11,465
Dec 97	69.52	69.37	69.40	—0.10	4,387
Feb 98	70.65	70.45	70.53	—0.10	2,272
Est. sales N.A. Thu's. sales 19,307					
Thu's open int 101,529 up 359					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 97	68.20	67.85	68.07	—0.10	4,016
Apr 97	68.95	68.70	68.82	—0.12	3,427
May 97	70.65	70.20	70.47	—0.03	4,903
Aug 97	73.90	73.60	73.85	—0.05	4,146
Sep 97	74.40	74.02	74.25	—0.07	1,592
Oct 97	74.95	74.60	74.80	—0.10	1,897
Est. sales N.A. Thu's. sales 2,498					
Thu's open int 22,477 up 142					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Apr 97	74.10	73.45	73.57	—0.82	14,102
Jun 97	79.50	78.60	78.85	—0.92	8,716
Jul 97	77.47	76.62	76.85	—0.85	1,865
Aug 97	74.50	73.57	73.80	—0.57	2,184
Oct 97	67.45	67.15	67.15	—0.42	1,465
Dec 97	65.10	64.95	64.95	—0.37	774
Est. sales N.A. Thu's. sales 6,606					
Thu's open int 34,384 up 55					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	78.50	76.50	76.75	—2.25	852
Mar 97	78.42	76.25	76.60	—1.97	2,437
May 97	79.20	77.50	77.35	—1.82	3,391
Jul 97	78.00	75.90	76.40	—1.70	725
Aug 97	74.85	73.85	73.85	—0.95	51C
Est. sales N.A. Thu's. sales 4,282					
Thu's open int 7,919 off 384					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1250	1231	1231	+4	3,257
May 97	1293	1277	1280	+1	35,097
Jul 97	1320	1306	1308	+1	18,074
Sep 97	1350	1337	1339	+4	10,219
Dec 97	1368	1360	1361	+1	5,593
Est. sales N.A. Thu's. sales 18,304					
Thu's open int 91,200 up 1149					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	182.50	176.25	179.50	—0.55	12,336
May 97	179.25	166.50	168.75	—0.25	14,856
Jul 97	163.85	160.00	161.50	—1.35	5,896
Sep 97	157.00	153.50	154.50	—1.45	3,479
Est. sales N.A. Thu's. sales 17,402					
Thu's open int 41,616 off 1001					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.85	10.61	10.82	+0.18	42,924
May 97	10.78	10.60	10.76	+0.15	47,971
Jul 97	10.60	10.44	10.59	+0.14	28,454
Oct 97	10.55	10.43	10.53	+0.12	20,952
Est. sales N.A. Thu's. sales 21,931					
Thu's open int 145,807 off 128					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	78.95	76.80	78.95	+2.05	10,428
May 97	81.90	80.10	81.70	+1.65	8,758
Jul 97	85.00	83.50	85.00	+1.65	3,630
Sep 97	87.75	86.50	87.75	+1.50	2,389
Est. sales N.A. Thu's. sales 6,988					
Thu's open int 26,532 up 355					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Feb 97	348.00	344.50	347.80	+5.30	3,195
Mar 97			342.50		65
Apr 97	348.60	342.70	348.10	+5.10	98,061
Jun 97	350.60	345.00	350.20	+5.00	26,394
Aug 97	353.20	349.10	353.20	+5.60	10,588
Oct 97	355.50	352.00	355.50	+5.40	5,356
Dec 97	357.70	353.60	357.70	+5.20	18,553
Feb 98	358.00	358.00	358.00	+3.00	3,836
Est. sales N.A. Thu's. sales 33,419					
Thu's open int 199,718 up 549					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Feb 97	108.00	107.00	107.50	—0.65	1,070
Mar 97	108.20	106.50	107.15	—0.90	23,039
Apr 97			105.95		1,779
May 97	104.50	103.50	104.00	—0.45	8,920
Jun 97			103.45		864
Jul 97	102.40	101.70	102.20	—0.35	4,719
Aug 97			101.70		622
Sep 97	100.90	100.70	100.70	—0.20	2,659
Oct 97			100.10		588
Est. sales N.A. Thu's. sales 12,439					
Thu's open int 54,099 up 897					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Feb 97			513.10		8
Mar 97	527.50	513.00	525.00	+10.80	48,893
Apr 97	522.00	522.00	522.00	+5.30	4
May 97	533.00	518.50	530.00	+10.80	23,581
Jul 97	537.80	522.50	534.00	+10.10	9,644
Sep 97	540.00	531.00	540.00	+11.40	3,107
Dec 97	548.00	535.00	546.00	+10.30	5,343
Jan 98			538.80		9
Est. sales N.A. Thu's. sales 26,149					
Thu's open int 95,665 off 1806					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	372.50	367.80	371.60	+2.00	19,671
Jul 97	374.50	370.00	374.50	+2.90	3,414
Oct 97	374.50	372.10	373.00	—0.70	2,411
Jan 98			376.00		1,110
Est. sales N.A. Thu's. sales 3,512					
Thu's open int 26,353 off 155					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1530½	1531½	1543.00	1544.00
Forward	1563.00	1563½	1575.00	1576.00
Copper Cathodes (High Grade)				
Spot	2346.00	2351.00	2385.00	2390.00
Forward	2257.00	2258.00	2282.00	2283.00
Lead				
Spot	650½	651½	651.00	652.00
Forward	658½	659.00	657½	658.00
Nickel				
Spot	7650.00	7660.00	7820.00	7830.00
Forward	7740.00	7745.00	7910.00	7915.00
Tin				
Spot	5925.00	5935.00	5880.00	5885.00
Forward	5975.00	5980.00	5938.00	5940.00
Zinc (Special High Grade)				
Spot	1184½	1186½	1201.00	1202.00
Forward	1207.00	1209.00	1223.00	1224.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	95.04	95.02	95.04	+0.04	5,219
Jun 97	94.96	94.94	94.96	+0.03	3,458
Sep 97	94.86	94.85	94.86	+0.05	921
Dec 97			94.48		847
Est. sales N.A. Thu's. sales					
Thu's open int					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	107-30	107-09	107-18	+ 11	189,394
Jun 97	107-08	107-03	107-04	+ 12	18,951
Sep 97			106-40		
Est. sales N.A. Thu's. sales 43,065					
Thu's open int 208,282 off 2143					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	110-15	109-30	110-07	+ 09	300,834
Jun 97	109-30	109-10	109-20	+ 09	40,881
Sep 97			108-26		3,518
Est. sales N.A. Thu's. sales 64,282					
Thu's open int 345,196 off 37					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	114-03	113-09	113-26	+ 15	485,266
Jun 97	112-19	112-30	113-10	+ 15	42,341
Sep 97	112-30	112-23	112-30	+ 17	10,791
Dec 97			112-00		3,974
Est. sales N.A. Thu's. sales 408,921					
Thu's open int 560,380 up 17950					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	113-28	113-09	113-12	+ 0-02	194,650
Jun97	113-03	112-30	112-28	+ 0-01	4,158
Est. sales: 78,644. Prev. sales: 79,417					
Prev. open int.: 200,808 off 3,456					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	102.85	102.35	102.61	+ 0.42	244,760
Jun97	102.87	102.52	102.78	+ 0.44	22,620
Est. sales: 201,961. Prev. sales: 165,692					
Prev. open int.: 267,380 off 650					

	High	Low	Close	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	132.50	132.10	132.44	+0.52	139,641
Jun 97	131.12	130.82	131.14	+0.50	15,204
Sep 97	129.24	129.14	129.44	+0.48	901
Dec 97	N.T.	N.T.	98.74	+0.52	0
Est. volume: 149,076. Open int.: 155,746 off 4,334.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	131.14	130.22	130.94	+ 0.45	117,565
Jun97	130.40	129.80	130.27	+ 0.28	15,825
Sep97	N.T.	N.T.	130.44	+ 0.45	600
Est. sales: 80,511. Prev. sales: 82,474					
Prev. open int.: 133,990 up 8,094					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 97	94.52	94.50	94.52	+0.02	19,516
Mar 97	94.52	94.48	94.51	+0.03	390,848
Apr 97	94.48	94.43	94.47	+0.04	6,962
Jun 97	94.43	94.38	94.41	+0.03	384,240
Sep 97	94.35	94.28	94.31	+0.05	293,916
Dec 97	94.19	94.10	94.14	+0.05	215,664
Mar 98	94.09	93.99	94.03	+0.04	183,523
Jun 98	93.97	93.88	93.93	+0.04	142,320
Sep 98	93.89	93.84	93.85	+0.04	104,696
Dec 98	93.79	93.71	93.74	+0.05	83,061
Mar 99	93.73	93.68	93.72	+0.05	66,835
Jun 99	93.68	93.64	93.66	+0.05	68,132
Sep 99	93.62	93.59	93.61	+0.05	54,617
Dec 99	93.54	93.48	93.52	+0.05	46,542
Est. sales N.A. Thu's. sales 317,727					
Thu's open int 2,322,903 up 13735					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6240	1.6150	1.6190		34,171
Jun 97	1.6210	1.6150	1.6190		2,749
Sep 97			1.6170		1,059
Dec 97			1.6134		8
Est. sales N.A. Thu's. sales 8,695					
Thu's open int 38,007 up 927					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7429	.7412	.7420		41,987
Jun 97	.7474	.7458	.7468		8,981
Sep 97	.7511	.7506	.7508		3,615
Dec 97	.7550	.7548	.7548		637
Est. sales N.A. Thu's. sales 7,373					
Thu's open int 55,276 up 1279					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.5960	.5921	.5939		90,407
Jun 97	.5992	.5970	.5975		5,939
Sep 97	.6012	.6012	.6012		2,350
Dec 97			.6060		20
Est. sales N.A. Thu's. sales 21,109					
Thu's open int 98,716 off 3250					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8115	.8044	.8094		77,813
Jun 97	.8216	.8160	.8199		3,589
Sep 97	.8318	.8297	.8302		624
Est. sales N.A. Thu's. sales 14,576					
Thu's open int 82,177 off 3146					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.6898	.6845	.6854		47,799
Jun 97	.6952	.6910	.6918		3,111
Sep 97	.7010	.7010	.7010		1,966
Est. sales N.A. Thu's. sales 17,954					
Thu's open int 52,897 up 23					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.71	93.70	93.70	Unch.	104,318
Jun97	93.50	93.47	93.48	+ 0.01	117,602
Sep97	93.32	93.29	93.29	Unch.	83,952
Dec97	93.21	93.16	93.16	+ 0.01	56,191
Mar98	93.11	93.05	93.07	+ 0.02	37,847
Jun98	93.04	92.99	93.00	+ 0.02	37,012
Sep98	92.99	92.94	92.94	+ 0.01	21,955
Dec98	92.93	92.88	92.88	Unch.	18,557
Mar99	92.86	92.84	92.83	+ 0.01	8,498
Jun99	92.84	92.81	92.76	— 0.02	7,143
Sep99	92.76	92.74	92.76	— 0.02	7,304
Dec99	92.73	92.71	92.68	— 0.01	5,129
Est. sales: 47,192. Prev. sales: 56,175					
Prev. open int.: 505,798 up 558					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb97	96.84	96.81	96.81	— 0.04	3,401
Mar97	96.89	96.86	96.86	— 0.01	196,148
Apr97	96.89	96.87	96.87	+ 0.01	4,316
Jun97	96.91	96.88	96.89	+ 0.01	177,786
Sep97	96.84	96.81	96.83	+ 0.02	148,968
Dec97	96.70	96.67	96.69	+ 0.02	167,327
Mar98	96.55	96.51	96.53	+ 0.02	121,237
Jun98	96.36	96.32	96.35	+ 0.03	100,731
Sep98	96.15	96.11	96.13	+ 0.03	78,583
Dec98	95.91	95.87	95.89	+ 0.04	68,804
Mar99	95.69	95.65	95.67	+ 0.05	46,759
Jun99	95.45	95.42	95.43	+ 0.05	24,830
Sep99	95.20	95.17	95.18	+ 0.05	20,279
Dec99	94.95	94.92	94.93	+ 0.05	19,045
Mar00	94.71	94.70	94.72	+ 0.06	2,337
Jun00	94.47	94.47	94.50	+ 0.06	464
Sep00	N.T.	N.T.	94.32	+ 0.06	351
Dec00	N.T.	N.T.	94.14	+ 0.06	735
Est. sales: 163,595. Prev. sales: 96,736					
Prev. open int.: 1,188,421 up 2,293					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.72	96.69	96.71	+0.01	64,480
Jun 97	96.77	96.73	96.76	+0.03	48,834
Sep 97	96.75	96.71	96.73	+0.02	35,630
Dec 97	96.68	96.65	96.67	+0.02	29,683
Mar 98	96.57	96.55	96.57	+0.02	18,609
Jun 98	96.45	96.41	96.43	+0.02	17,034
Sep 98	96.28	96.24	96.25	+0.01	11,594
Dec 98	96.08	96.02	96.05	+0.04	10,072
Mar 99	95.83	95.79	95.83	+0.06	12,701
Jun 99	95.58	95.56	95.58	+0.06	6,308
Sep 99	95.37	95.31	95.37	+0.10	2,287
Dec 99	95.13	95.08	95.13	+0.09	1,849
Est. volume: 44,379. Open int.: 260,081 off 6,289.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	92.96	92.88	92.93	— 0.01	100,613
Jun97	93.54	93.39	93.48	+ 0.03	85,847
Sep97	93.85	93.70	93.82	+ 0.03	46,494
Dec97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Close	Chge	Opint
Mar98	94.11	93.97	94.09	+ 0.05	17,244
Jun98	94.10	93.98	94.10	+ 0.05	10,344
Est. sales: 54,852. Prev. sales: 86,683					
Prev. open int.: 294,551 up 9,511					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	73.80	73.40	73.45	+0.24	16,613
May 97	75.22	74.91	74.95	+0.20	24,132
Jul 97	76.20	75.95	75.95	+0.15	9,355
Oct 97	76.40	76.30	76.30	+0.30	1,375
Dec 97	76.50	76.28	76.28		12,872
Mar 98			77.15		811
Est. sales N.A. Thu's. sales 18,578					
Thu's open int 67,984 up 2145					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Mar 97	60.80	60.00	60.05	+0.13	33,711
Apr 97	58.85	58.20	58.30	+0.20	23,091
May 97	57.20	56.85	56.95	+0.45	9,297
Jun 97	56.50	56.00	56.30	+0.50	7,477
Jul 97	56.20	56.00	56.00	+0.55	5,863
Aug 97	56.70	56.55	56.55	+0.75	3,638
Sep 97	57.00	56.90	57.00	+0.70	3,427
Oct 97	57.85	57.70	57.85	+1.05	2,134
Nov 97	58.35	58.10	58.35	+1.05	1,917
Dec 97	58.90	58.45	58.75	+0.95	5,187
Est. sales N.A. Thu's. sales 34,190					
Thu's open int 103,762 up 1226					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	22.48	22.09	22.25	+0.33	58,307
Apr 97	22.10	21.79	21.93	+0.19	72,104
May 97	21.75	21.45	21.68	+0.24	40,178
Jun 97	21.48	21.30	21.41	+0.22	35,422
Jul 97	21.20	21.10	20.15	—0.81	16,839
Aug 97	20.95	20.92	20.92	+0.17	15,868
Sep 97	20.80	20.73	20.73	+0.17	15,740
Oct 97	20.60	20.55	20.60	+0.21	11,002
Nov 97	20.40	20.40	20.40	+0.15	8,401
Dec 97	20.45	20.20	20.35	+0.21	24,312
Jan 98	20.35	20.27	20.27	+0.22	13,154
Feb 98	20.20	20.20	20.20	+0.20	7,970
Mar 98			19.96		2,166
Est. sales N.A. Thu's. sales 131,780					
Thu's open int 403,819 up 8583					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 97	2.050	1.972	2.040		31,887
Apr 97	2.030	1.980	2.020		24,002
May 97	2.000	1.960	1.990		14,467
Jun 97	2.000	1.950	1.990		9,575
Jul 97	2.015	1.995	2.000		9,348
Aug 97	2.025	2.000	2.015		7,676
Sep 97	2.025	2.005	2.025		6,891
Oct 97	2.040	2.020	2.025		8,901
Nov 97	2.150	2.125	2.132		5,177
Dec 97	2.255	2.239	2.250		7,982
Jan 98	2.290	2.275	2.285		6,632
Est. sales N.A. Thu's. sales 49,713					
Thu's open int 164,165 off 2546					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Mar 97	64.10	63.35	63.70	+0.52	27,409
Apr 97	65.65	65.00	65.25	+0.82	25,518
May 97	65.30	64.95	65.10	+0.37	13,890
Jun 97	64.50	64.10	64.35	+0.52	8,493
Jul 97	63.15	62.90	63.05	+0.62	4,959
Aug 97	61.70	61.60	61.60	+0.62	3,982
Est. sales N.A. Thu's. sales 24,222					
Thu's open int 85,521 up 484					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Mar 97	183.75	178.00	178.25	—1.75	19,412
Apr 97	181.00	176.25	176.50	—1.50	9,148
May 97	178.75	177.25	177.00	+0.75	4,747
Jun 97	178.50	176.75	177.25	+0.75	8,078
Jul 97	178.50	177.25	177.75	+1.00	3,649
Aug 97	179.00	178.00	178.50	+1.25	1,254
Sept 97	N.T.	N.T.	179.25	+1.50	1,048
Oct 97	N.T.	N.T.	180.00	+1.50	656
Nov 97	180.75	180.75	180.75	+0.25	1,344
Est. sales: 13,687. Open int.: 54,770 up 1,892					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	817.45	810.50	811.65	—2.50	183,234
Jun 97	823.00	818.40	819.50	—2.15	11,780
Sep 97	829.75	829.75	829.75	—0.30	1,727
Dec 97			837.75		1,701
Est. sales N.A. Thu's. sales 78,041					
Thu's open int 198,442 up 1847					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4355.0	4323.0	4332.0	+ 14.0	58,975
Jun97	4365.0	4360.5	4352.5	+ 14.5	5,803
Sep97	N.T.	N.T.	4378.0	+ 14.0	1,901
Est. sales: 14,848. Prev. sales: 10,850					
Prev. open int.: 66,679 off 611					
CAC 40 (MATIF) FF200 per index point					
Feb 97	2651.0	2621.0	2631.0	— 3.50	27,569
Mar 97	2656.0	2633.5	2637.5	— 3.50	23,138
Apr 97	2654.5	2654.5	2639.0	— 3.50	150
Jun 97	2615.0	2597.0	2603.0	— 3.50	3,167
Sep 97	2627.0	2627.0	2615.5	— 3.50	6,093
Dec 97	N.T.	N.T.	2635.5	— 3.00	0
Mar 98	N.T.	N.T.	2653.0	— 3.50	7,829
Sep 98	N.T.	N.T.	2628.0	— 3.50	710
Est. volume: 16,029. Open int.: 68,456 up 304.					

Commodity Indexes

	Close	Previous
Moody's	1,500.00	1,492.80
Reuters	1,977.10	1,971.40
D.J. Futures	155.03	155.27
CRB	239.51	238.38

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A Gloomy Renault Repeats Warning Of Higher Losses

Compiled by Our Staff From Dispatches

PARIS — Renault SA sounded a new warning Friday about its 1996 results, saying that its operating loss will be "considerably higher" than market expectations.

France's No. 2 automaker blamed a "relentless and aggressive" price war, particularly in France, which accounts for 46.1 percent of overall revenue.

Analysts estimated an operating loss of from 1.3 billion francs ($229 million) and 1.6 billion francs for Renault, whose profit margins were eroded last year "despite the increase in revenues of the automobile division," the company said.

Shares in the company, which said previously that it expected to lose money on both its car and truck operations and report its first annual loss in 10 years, fell 7.5 francs Friday to close at 122.50.

Shares in other auto companies also fell on the latest gloomy pronouncements from the French car industry, which began the year on a grim note. PSA Peugeot Citroen, France's biggest automaker, fell 28 francs to close at 584 Friday; the company last week reported a 5.1 percent rise in 1996 sales, to 172.67 billion francs.

French car sales fell 34 percent in January, revealing the market's underlying weakness after more than two years of state support through incentives for people to buy new vehicles. The incentives ended last autumn.

Renault said its performance last year was marred by the price wars, which drove up marketing costs, and lower truck sales in the United States, where Renault owns Mack Trucks.

Renault will unveil 1996 earnings on March 20, after a meeting of its board of its directors.

It said 1996 sales totaled 184.08 billion francs, almost unchanged from the previous year's sales of 184.07 billion, as a 9.5 percent drop in truck sales offset a 2.3 percent gain in the car division.

Analysts said the biggest problem appeared to be in the car division, which has been losing money since the second half of 1995. Several said they are looking for a division operating loss around 3 billion francs, against prior estimates of a 2 billion franc loss. *(Reuters, Bloomberg)*

■ Saab Loss Widens

Saab Automobile AB said Friday that its second-half pretax loss widened to 749 million kronor ($101.7 million) from 47 million kronor the previous year because of higher production and marketing costs, Bloomberg News reported.

The full-year pretax loss came to 1.240 billion kronor. In 1995, Saab broke even.

Orkla AS To Buy Rest Of Brewery

Compiled by Our Staff From Dispatches

OSLO — Orkla AS said Friday that it would buy Volvo's share in a big Nordic brewery for 4.7 billion kroner ($706.8 million), in a move that completed a takeover of the Swedish automaker's food and beverage investments.

The deal would make Orkla the sole owner of Pripps Ringnes brewery, the dominant supplier of beer and soft drinks in Norway and Sweden.

In 1995, Orkla bought all of the Procordia food group from AB Volvo except for its Pripps brewery division. Pripps was instead combined with Orkla's Ringnes brewery in a joint venture, with Volvo owning 55 percent and Orkla 45 percent.

"I think the market will look positively on the possibility of Orkla developing Pripps Ringnes," said Stein Aadland, an analyst at Pareto Fonds. "The valuation of Pripps Ringnes looks fair."

Orkla also said its 1996 pretax profit rose 29 percent to 2.43 billion kroner. *(AP, Bloomberg)*

German Carmakers in Dock

EU Probes Curbs on Foreign Auto Shopping

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission is widening its investigation of German carmakers suspected of preventing customers from shopping around internationally to find the lowest prices, commission officials said Friday.

Dealers for Mercedes-Benz AG and Adam Opel AG have come under suspicion of interfering with so-called "parallel trade" — which happens when customers try to buy vehicles elsewhere in the 15-nation European Union when price differences make it attractive to do so — in Germany, the Netherlands, Belgium and Spain, the officials said.

The investigation comes as the commission, the executive arm of the Union, continues to look into charges that Volkswagen AG and its Audi AG unit prevented drivers from buying their cars at cut-rate prices in Italy.

Commission investigators have seized documents at Mercedes-Benz, the luxury-car unit of Daimler-Benz AG, and Opel, the German unit of General Motors Corp. The officials did not reveal the date of the searches.

In the case of Mercedes, the European Commission has received complaints that sales were blocked in Belgium, Germany, the Netherlands and Spain. For Opel the complaints related to the Netherlands.

If the commission were to find the companies guilty of malpractice, it could force them to give up their exclusive agreements with distributors, a move which would open the tightly controlled vehicle distribution system to greater competition.

Although the commission believes that close links between automakers and dealers severely restrict price competition, it agreed last year to grant the industry an exemption from EU rules.

The move dismayed consumer groups, who believe the system is the main reason why the introduction of the EU single market in 1993 has failed to eliminate price differences between EU states.

News of the raids emerged as the commission released details of car-price differentials across 12 of the EU's 15 member countries, excluding Greece, Finland and Denmark.

A survey of prices for the 75 best-selling models in the European Union found 23 were cheapest in the Netherlands, the commission said. Portugal was next, with 21 models cheapest there.

Germany topped the list of countries with the highest auto prices. There were 17 models that were most expensive there and 14 that were most expensive in Britain.

The commission complained that price differences varied among EU nations by more than 20 percent for 40 of the models in the survey, despite the EU's efforts to create a single market across its 15 member nations.

For 40 of the 75 most popular cars, the difference between the cheapest and the most expensive prices before tax was more than 20 percent. Thus the cost of a Ford Fiesta in Portugal was 26.8 percent lower than in Britain, where they are made.

"It was found that final customers still encounter obstacles in certain member states," the commission said. Dealers or carmakers refusing to sell to all comers would be in violation of EU single-market rules. *(Bloomberg, Reuters, AFP, AP)*

Williams Offers to Acquire Chubb

Compiled by Our Staff From Dispatches

LONDON — Williams Holdings PLC said Friday it would pay £1.3 billion ($2.1 billion) in cash and stock for Chubb Security PLC, in a move that Williams said would make it the world leader in fire protection and security systems.

Williams, which makes Yale locks, Kidde fire extinguishers and other security products for such clients as Boeing Co. and Lockheed Martin Corp., is offering the equivalent of 450 pence a share for Middlesex-based Chubb. The offer includes the assumption of some £30 million in debt and is recommended by Chubb's board.

Williams stock dropped amid concern that the company did not have the financial clout to buy Chubb. Williams' shares fell 37 pence to 301 pence, while Chubb's shares rose 5 pence to 425 pence.

"From an industrial point of view, it is an absolutely logical fit," Williams' chief executive, Roger Carr, said in an interview.

Williams said its Yale and Kidde businesses were particularly strong in the Americas and Continental Europe and also had a growing presence in the Far East.

Chubb, in comparison, has limited business in the Americas but considerable strength in Britain, and a large presence in the Asia-Pacific region, the company said.

Williams said it expected to receive regulatory clearance for the deal and overcome any possible monopoly concerns.

"We clearly have issues in that area where there is an overlap, but we are confident that we have solutions to those issues and we're comfortable that we'll achieve a fair and totally acceptable settlement," Mr. Carr said.

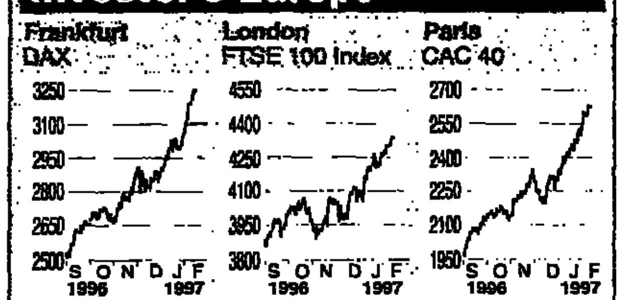
The move is the latest by a diversified industrial company seeking to increase its appeal by focusing on businesses that complement one another. Hanson PLC sought to shed its conglomerate image in January 1996 by saying it would split into four publicly traded companies in an effort to boost shares.

"There are lots of synergies and benefits for Williams both geographically and product-wise," said Tony Shepard, an analyst at Greig Middleton.

The combined company will have debt of £900 million.

Sir Nigel Rudd, the Williams chairman, rejected suggestions that the company could not afford the acquisitions. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	719.49	712.50	+0.98
Brussels	BEL-20	2,098.03	2,098.91	-0.04
Frankfurt	DAX	3,248.18	3,229.48	+0.58
Copenhagen	Stock Market	539.02	535.65	+0.63
Helsinki	HEX General	2,866.59	2,863.12	+0.12
Oslo	OBX	596.49	589.94	+1.10
London	FTSE 100	4,341.00	4,327.10	+0.32
Madrid	Stock Exchange	477.86	477.55	+0.06
Milan	MIBTEL	12,514.00	12,587.00	-0.58
Paris	CAC 40	2,627.42	2,628.41	-0.04
Stockholm	SX 16	2,792.46	2,801.61	-0.33
Vienna	ATX	1,213.36	1,212.03	+0.11
Zurich	SPI	2,839.43	2,824.34	+0.53

Source: Telekurs — International Herald Tribune

Very briefly:

- **VIAG AG's** pretax profit rose 14 percent in 1996, to 2.4 billion Deutsche marks ($1.43 billion), as unusually cold weather increased energy sales and the diversified utility cut costs at its **Bayernwerk AG** unit.
- **Skandinaviska Enskilda Banken's** net profit soared 86 percent in 1996, to 4.69 billion kronor ($637 million), as market rates and lending losses declined.
- **Dresdner Bank AG** said a banking syndicate it heads will lend $2.5 billion to **RAO Gazprom**, Russia's largest company and the world's biggest natural gas producer.
- **Eurotunnel**, the operator of the English Channel tunnel, said fourth-quarter sales rose about 3 percent. In Paris, the British-French concern said sales rose 30 percent, to 1.07 billion French francs ($188.5 million), but in London, it said they had dropped 24 percent, to £86 billion, largely because the pound rose 18 percent against the franc last year.
- **Jacques Calvet, Peugeot SA's** chairman, has made an offer to Prime Minister Alain Juppe to take over as chairman of **Credit Lyonnais SA**, the French daily Liberation reported.
- **AO Megionneftegaz**, a Siberian oil producer, could be the first of a group of 10 Russian companies to sell American depositary receipts through the Bank of New York, said a senior official organizing the issue.
- **Axa-UAP**, the world's second-largest insurer, said combined 1996 revenue was 340.1 billion French francs, as Axa's revenue rose and UAP's fell.
- **Russian unemployment** rose to 6.9 million people, or 9.5 percent of the work force, at the end of January, from 6.8 million in December, the State Statistics Committee said.
- **Lloyds TSB Group PLC**, Britain's largest retail financial services group, reported a 52 percent increase in pretax profit in 1996, to £2.51 billion ($4.07 billion), but analysts said the figure was overstated and included lower-than-expected provisions for bad debt.

Bloomberg, AFP, Reuters, AFX

WORLD STOCK MARKETS

Friday, Feb. 14
Prices in local currencies.
Telekurs

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	153.29	+0.03	+0.02	+16.24
Regional Indexes				
Asia/Pacific	111.00	+0.44	+0.40	-17.32
Europe	162.14	+0.37	+0.23	+16.50
N. America	179.69	-0.70	-0.39	+40.08
S. America	139.48	-0.39	-0.28	+56.65
Industrial Indexes				
Capital goods	179.07	-1.47	-0.81	+34.76
Consumer goods	174.71	+0.70	+0.40	+26.54
Energy	180.07	-0.67	-0.37	+32.78
Finance	111.49	+0.39	+0.35	-12.37
Miscellaneous	159.93	-1.16	-0.72	+17.76
Raw Materials	184.35	+1.20	+0.66	+30.01
Service	142.73	-0.43	-0.30	+18.94
Utilities	133.46	-0.21	-0.16	+4.97

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

Amsterdam
AEX index: 719.49 Previous: 712.50

	High	Low	Close	Prev.
ABN-AMRO	130.10	126.80	130.10	126.60
Aegon	121.30	118.70	120.10	118.90
Ahold	119.80	119	119.50	118.90
Akzo Nobel	286.10	282.30	285	286.10
Boon Co.	98.50	94.80	95.40	93.70
Bols Wess cva	35	34.30	34.50	34.90
CSM cva	115.40	112.50	115.10	112.50
Dordtsche Pet	369	358.50	367.50	367.30
DSM	185.70	180.70	184.70	181.20
Elsevier	29.70	29.20	29.50	29.30
Fortis Amev	71.50	70.50	70.70	70.70
Getronics	64.30	62.20	63.40	61.20
G-Broc cva	59.40	58.10	59	58.20
Hagemeyer	150	148.20	148.90	149.20
Heineken	322	318.70	323.30	318.20
Hoogovens cva	79.30	77.90	78.20	78.50
Hunt Douglas	137	131.50	136	130.50
ING Group	72.70	71.50	72.10	71.30
KLM	56.40	54.90	56.10	54.10
KNP BT	42.20	40.60	41.50	40.90
KPN	68.30	66	68.10	66.20
Nedlloyd Gp	55.90	55.30	55.40	55.50
Nutricia	281.80	277.50	279.80	277.40
Oce Grinten	241.40	236.40	241	236.90
Philips Elec	80.80	78.80	79.40	81
Polygram	87.50	84.50	85.60	86.10
Randstad Hdg	135.80	134.10	134.10	135.30
Robeco	162.50	161.60	162.30	160.50
Rodamco	61	60.20	61	60.70
Rolinco	167	166.50	167	165.40
Rorento	110.20	109.90	109.90	109.70
Royal Dutch	347.50	338.70	341.30	347.50
Unilever cva	353	340	351	335.50
Vendex Intl	89.70	87.30	89.30	87.20
VNU	39.80	37.80	38.30	39.40
Wolters Kl cva	229.20	227.20	228.10	227.40

Bangkok
SET index: 713.48 Previous: 698.06

	High	Low	Close	Prev.
Adv Info Svc	228	204	228	208
Bangkok Bk F	206	198	202	199
Krung Thai Bk	41	36.50	40.75	40
PTT Explor	340	314	340	316
Siam Cement F	676	624	656	664
Siam Com Bk F	140	127	139	139
Telecomasia	48	39.75	46	44
Thai Airways	39.50	34.50	39.25	37
Thai Farm Bk F	126	116	126	119
Utd Comm	160	139	154	150

Bombay
Sensex 30 index: 3521.99 Previous: 3492.65

	High	Low	Close	Prev.
Bajaj Auto	930	922	926.75	926.25
Hindust Lever	909.50	904	904.75	902.25
Hindust Petim	382	379.25	379.75	380
Ind Dev Bk	97.75	95	97.25	95.75
ITC	422.75	418.50	422	418.75
Mahanagar Tel	242.50	240	240.75	240.50
Reliance Ind	274	271.75	273.50	271.75
State Bk India	287.75	278	287.25	277.50
Steel Authority	23	22.25	22.25	22.25
Tata Eng Loco	344.75	332	342.75	332.50

Brussels
BEL-20 index: 2098.03 Previous: 2098.91

	High	Low	Close	Prev.
Almanij	12850	12700	12850	12700
Barco Ind	5880	5850	5850	5870
BBL	7300	7260	7270	7290
Bekaert	21200	20400	21200	20800
CBR	3385	3310	3310	3370
CMB	2395	2395	2395	2390
Cobepa	1304	1296	1296	1276
Cockerill	115	114	115	115
Colruyt	15200	14900	14975	15075
Delhaize Lion	2050	1975	1995	2045
Electrabel	8120	8070	8100	8080
Electrafina	3335	3275	3275	3320
Fortis AG	5880	5790	5840	5790
Gevaert	2500	2455	2470	2460
GIB	1595	1570	1590	1585
GBL	4645	4600	4600	4640
Gen Banque	12475	12300	12375	12425
Kredietbank	11800	11600	11600	11625
Petrofina	12350	12150	12300	12275
Powerfin	4945	4825	4930	4850
Royale Belge	7750	7650	7710	7740
Soc Gen Belg	2800	2760	2765	2775
Solvay	21200	20850	21100	20800
Tractebel	14950	14775	14850	14825
UCB	94950	94200	94350	94450
Union Miniere	2670	2580	2630	2570

Copenhagen
Stock index: 539.02 Previous: 535.65

	High	Low	Close	Prev.
BG Bank	291	284	287	288
Carlsberg B	416	412	415	414
Codan Fors	980	967.58	975	980
Danisco	372	364	370	366
Den Danske Bk	569.42	561.48	564	565
D/S Svendborg B	280000	280000	280000	276000
D/S 1912 B	194000	190642	193000	193000
FLS Ind B	865	847.88	855	860
Kob Lufthavne	701	684	701	685
Nvo Nordisk B	616	600.63	614	602
Sophus Ber B	926	911	920	916
Tele Danmk B	372	366	371	367.37
Tryg Baltica	370	362	367	362
Unidanmark A	351	347	350	350

Frankfurt
DAX: 3248.18 Previous: 3229.48

	High	Low	Close	Prev.
AMB B	1020	1020	1020	1000
Adidas	164	160.50	164	155
Allianz Hdg	3275	3250	3258	3238
Altana	1408	1360	1390	1390
Bk Berlin	32.75	32.60	32.75	32.60
BASF	63.38	62.85	63.20	63.04
Bayer Hypo Bk	52.60	51.50	51.85	51.80
Bay.Vereinsbank	64.90	64.30	64.90	63.50
Bayer	67.95	67.25	67.55	67.36
Beiersdorf	98.50	92.10	92.80	90.50
BMW	1210	1186	1190	1183
Commerzbank	43.75	43	43.15	42.90
Daimler Benz	125.65	124.70	124.95	124.30
Degussa	724	719	723	716.50
Deutsche Bank	87.05	86.37	86.70	85.10
Deut Telekom	32.57	32.45	32.55	32.53
Dresdner Bank	54.78	53.90	53.98	53.40
Fresenius	328	328	325	322
Fresenius Med	147.40	145.50	146.90	147.48
Krupp hoesch	261.50	260	260	257.50
Gehe	116	114.90	116	115
Heidelbg Zmt	140.50	138	138	140.50
Henkel pfd	88.90	88.20	88.90	87.95
Hochtief	75	74	75	72
Hoechst	76.80	75.80	76.30	75.40
Karstadt	513	511	513	509
Linde	1122	1105	1108	1085
Lufthansa	23.95	23.70	23.70	23.85
MAN	451	447.50	449	442
Mannesmann	688	678	678.50	681
Metallgesellschaft	34.30	34	34.15	32.83
Metro	133.30	132.40	132.90	131.75
Munich Rueck R	4155	4125	4150	4070
Preussag	423	418	419	416.50
RWE	77.35	76.60	76.60	75.50
SAP pfd	257.80	253.50	254	256.40
Schering	145.50	144.60	144.65	145.50
Siemens	85.97	85.55	85.78	87.35
Thyssen	326	322.50	322.50	324
Veba	96	95.25	95.35	95.25
VEW	499	497	497	502
Viag	711	703	703	709
Volkswagen	823	816	816.50	818

Helsinki
HEX General index: 2866.59 Previous: 2855.97

	High	Low	Close	Prev.
Cultor I	300	300	300	300
Enso A	41	40.90	41	40.40
Huhtamaki I	219.90	216	218	216
Kemira	58	57	57	57
Kesko	74	72.50	74	72.50
Merita A	18.50	17.70	18.10	17.70
Metra B	300	293	300	295
Metso-Serla B	41	40.50	41	40.50
Neste	139	132	136.50	132
Nokia A	327	314	315	319
Orion-Yhtymae	181.50	180	181	180
Outokumpu A	81.90	80	81	80
Rautaruukki	45	44.40	44.50	44.50
Sampo Insur	445	430	440	433
UPM Kymmene	104.80	101.30	104.50	101.90
Valmet	93.10	92.50	93	92.30

Hong Kong
Hang Seng: 13113.26 Previous: 13240.95

	High	Low	Close	Prev.
Amoy Props	9.90	9.70	9.90	9.90
Bk East Asia	33.90	33.10	33.40	33.30
Cathay Pacific	11.95	11.70	11.80	11.90
Cheung Kong	72	70	71.75	72
CK Infrastruct	21.60	20.80	21.15	21.60
China Light	35.30	34.30	35	35.10
China Overs Ld	3.93	3.80	3.93	3.93
China Res Ent	16	15.70	15.95	15.75
Chin Estates	8.45	8.35	8.40	8.45
Citic Pacific	37.60	36.80	37.40	37.50
Cosco Pacific	9.35	9	9.35	9.15
Dao Heng Bk	38.40	37.90	37.60	38.60
First Pacific	11.05	10.80	11	11
Great Eagle	32.60	31.20	31.50	32.60
Guangdong Inv	6.70	6.50	6.70	6.70
Guoco Group	42.50	41.90	41.90	42.70
Hang Lung Dev	16.10	15.60	15.70	15.80
Hang Seng Bk	89.75	87	88.50	89.50
Henderson Inv	8.90	8.70	8.80	8.90
Henderson Ld	69.25	67.50	69	69
HKR Intl	11.55	11.30	11.40	11.45
HK China Gas	14.50	14.30	14.30	14.50
HK Electric	27.15	26.40	26.90	26.80
HK Shang Htls	13.80	13.60	13.65	13.80
HK Telecomm	13.20	12.95	13	13.20
Hopewell Hdgs	4.38	4.15	4.35	4.25
HSBC Hdgs	186	182.50	183.50	185.50
Hutchison Wh	57	54.75	56	56.75
Hysan Dev	27.40	26.85	27.05	27.35
Johnson El Hdg	23.50	23.35	23.40	23.40
Kerry Props	19.80	19.70	19.75	19.80
Nat Mutual	8.45	8.05	8.45	8.50
New World Dev	48.30	46.90	47.20	48.30
N World Infrastr	23.60	23	23	23.70
Oriental Press	2.80	2.70	2.80	2.80
Pearl Oriental	6.15	5.95	6	6.20
Shanghai Indus	28.55	27.40	28.40	28.20
Shangri-La Asia	10.60	10.45	10.45	10.75
SHK Props	89.75	87.50	89	88.75
Shun Tak Hdgs	5.50	5.30	5.40	5.50
Sino Land Co.	8.80	8.60	8.70	8.80
Sth China Post	6.45	6.30	6.35	6.45
Swire Pac A	67.50	63.75	65.25	67.25
Tsim Sha Tsui	22.60	21.40	21.40	22.30
TV Broadcasts	34.70	34	34.70	34
Wharf Hdgs	34.30	32.60	33.20	34
Wheelock	20.40	19.80	19.95	20.50

Jakarta
Composite index: 704.48 Previous: 707.37

	High	Low	Close	Prev.
Astra Intl	6300	6200	6250	6350
Bk Intl Indon	1950	1875	1925	1925
Bk Negara	1775	1700	1725	1775
Gudang Garm	11100	10750	10850	11200
Indocement	3600	3500	3525	3600
Indofood	5525	5400	5525	5350
Indosat	7250	7150	7200	7150
Sampoerna HM	14900	14600	14625	14900
Semen Gresik	7475	7300	7400	7400
Telekomunikasi	4250	4125	4200	4225

Johannesburg
All Market: 7005.29 Previous: 7041.53

	High	Low	Close	Prev.
Amalgamd Bks	29	28.70	28.85	28.50
AngloAm Coal	310	309	309	310
AngloAm-Corp	277	275.25	277	277
AngloAm Gold	315	312	314	315
AngloAm Ind	176	175	176	178.50
Barlow	51.75	50.75	50.75	51.50
C.G. Smith	26.35	25.95	26.30	26.05
De Beers	148	145.75	146.75	148.75
Driefontein	45	44	44.50	44.25
Fst Natl Bk	26.50	26.25	26.50	26.75
Gencor	19.60	19.30	19.45	19.40
GFSA	117.75	116	117.50	118
Iscor	3.62	3.53	3.55	3.60
Liberty Hdgs	345	343	344	345
Liberty Life	129.25	128.50	129.25	129.25
Minorco	106	103	105	106.75
Nampak	19	17.40	19	19
Nedcor	78.75	78.50	78.50	78.75
Rembrandt Gp	47.15	46.50	47.10	47.95
Richemont	63	62	63	62.50
Rust Platinum	70.75	69	70.25	68.50
SA Breweries	137.50	135.50	137	136
Samancor	57	56.50	56.50	57
Sasol	52	50.50	51.25	52
SBIC	185	182	185	186
Tiger Oats	72	72	72	72

Kuala Lumpur
Composite: 1246.91 Previous: 1259.10

	High	Low	Close	Prev.
Genting	17.10	16.90	16.90	17.10
Mal Banking	29.75	28.25	28.25	29.50
Mal Intl Ship F	6.20	6.05	6.10	6.20
Petronas Gas	9.05	8.90	8.90	9.05
Proton	5.15	4.96	5.05	5.10
Resorts World	12.40	12.30	12.30	12.40
Sime Darby	9.25	9.05	9.10	9.20
Telekom Mal	19.60	19.30	19.30	19.60
Tenaga	12.30	11.90	11.90	12.20
Utd Engineers	23.80	23.30	23.40	23.60

London
FT-SE 100: 4341.00 Previous: 4327.10

	High	Low	Close	Prev.
Abbey Natl	7.97	7.80	7.80	7.92
Allied Domecq	4.33	4.25	4.32	4.24
Anglian Water	6.31	6.25	6.27	6.30
Argos	6.87	6.65	6.80	6.63
Asda Group	1.15	1.12	1.14	1.15
Assoc Br Foods	5.06	5	5.04	4.97
BAA	5.47	5.30	5.34	5.44
Barclays	12.35	11.90	12.17	11.91
Bass	8.57	8.50	8.50	8.56
BAT Ind	5.30	5.18	5.18	5.24
Bank Scotland	3.54	3.42	3.50	3.55
Blue Circle	4.08	4	4.02	4.08
BOC Group	9.49	9.33	9.48	9.37
Boots	7.07	6.91	6.98	6.91
BPB Ind	3.42	3.29	3.41	3.32
Brit Aerosp	12.49	12.28	12.45	12.10
Brit Airways	6.13	5.98	6.11	6
Brit Gas	2.48	2.40	2.47	2.39
Brit Land	5.23	5.16	5.19	5.55
Brit Petm	7.20	6.85	6.88	6.98
BSkyB	6.69	6.55	6.55	6.60
Brit Steel	1.42	1.40	1.40	1.41
Brit Telecom	4.43	4.34	4.36	4.43
BTR	2.46	2.40	2.40	2.41
Burmah Castrol	10.40	10.21	10.23	10.21
Burton Gp	1.53	1.50	1.51	1.49
Cable Wireless	5.36	5.17	5.19	5.20
Cadbury Schw	4.97	4.84	4.87	4.84
Carlton Comm	5.72	5.55	5.55	5.61
Comml Union	7.30	7.15	7.30	7.18
Compass Gp	7.38	7.34	7.37	7.36
Courtaulds	3.88	3.83	3.83	3.84
Dixons	5.20	5	5.08	4.99
Electrocomponents	4.15	4.09	4.14	4.13
EMI Group	12.98	11.71	11.96	11.72
Enterprise Oil	6.42	6.36	6.36	6.37
Fam Colonial	1.58	1.57	1.57	1.57
Gen'l Accident	8.61	8.28	8.28	8.60
GEC	3.86	3.82	3.85	3.83
GKN	9.50	9.38	9.41	9.45
Glaxo Wellcome	10.55	10.25	10.48	10.21
Granada Gp	9.17	9.02	9.17	9.02
Grand Met	4.57	4.48	4.56	4.45
GRE	2.98	2.94	2.97	2.96
Greenalls Gp	5.59	5.49	5.59	5.49
Guinness	4.44	4.38	4.38	4.41
GUS	6.45	6.22	6.35	6.21
Hanson	0.93	0.90	0.93	0.91
Hays	5.78	5.72	5.72	5.75
HSBC Hldgs	14.90	14.68	14.89	14.77
ICI	7.64	7.50	7.59	7.49
Impl Tobacco	4.37	4.22	4.34	4.14
Kingfisher	6.75	6.67	6.70	6.68
Ladbroke	2.39	2.34	2.35	2.37
Land Sec	7.88	7.80	7.87	7.86
Lasmo	2.37	2.33	2.36	2.36
Legal Genl Grp	4.17	4.11	4.14	4.12
Lloyds TSB Gp	5.08	4.85	5.02	5.01
LucasVarity	2.04	1.98	2.03	1.98
Marks Spencer	4.92	4.83	4.88	4.84
MEPC	4.70	4.67	4.69	4.70
Mercury Asset	13.34	13.15	13.34	13.24
National Grid	2.08	2.04	2.04	2.07
Natl Power	5.08	5.02	5.02	5.10
NatWest	8.35	8.27	8.31	8.32
Next	6.02	5.83	5.97	5.82
Orange	2.23	2.15	2.19	2.15
P&O	6.68	6.49	6.63	6.65
Pearson	7.60	7.50	7.58	7.45
Pilkington	1.36	1.29	1.32	1.31
PowerGen	6.54	6.45	6.46	6.54
Premier Farnell	5.36	5.27	5.31	5.33
Prudential	5.84	5.17	5.77	5.81
Railtrack PP	3.88	3.80	3.84	3.89
Rank Group	4.19	4.08	4.13	4.15
Reckitt Colm	7.69	7.53	7.67	7.58
Redland	3.90	3.46	3.49	3.53
Reed Intl	11.09	10.83	10.92	10.92
Rentokil Initial	4.97	4.82	4.87	4.86
Reuters Hdgs	6.52	6.30	6.41	6.48
Rexam	3.32	3.26	3.28	3.31
RMC Group	9.47	9.36	9.39	9.48
Rolls Royce	2.25	2.21	2.25	2.20
Royal Bk Scot	6.31	6.18	6.23	6.25
RTZ reg	9.14	8.97	9.01	9.09
Royal & Sun All	5.05	4.98	5.04	5.02
Safeway	3.66	3.60	3.63	3.62
Sainsbury	3.18	3.12	3.17	3.14
Schroders	17.60	17.43	17.55	17.58
Scot Newcastle	6.87	6.82	6.85	6.86
Scot Power	3.64	3.55	3.55	3.57
Securicor	3.06	3.03	3.03	3.02
Severn Trent	7.27	7	7.02	7.16
Shell Transp R	10.97	10.78	10.80	10.88
Siebe	9.81	9.70	9.76	9.73
Smith Nephew	1.99	1.89	1.95	1.85
SmithKline	9.05	8.78	8.93	8.76
Smiths Ind	7.77	7.42	7.71	7.63
Sthern Elec	7.67	7.60	7.61	7.65
Stagecoach	7.27	7.22	7.23	7.25
Stand Charter	8.06	7.98	8.05	7.99
Tate & Lyle	4.54	4.48	4.53	4.42
Tesco	3.47	3.39	3.42	3.42
Thames Water	6.73	6.63	6.66	6.65
3i Group	5.30	5.25	5.26	5.25
TI Group	5.26	5.16	5.23	5.18
Tomkins	2.96	2.92	2.93	2.93
Unilever	15.49	14.88	15.35	14.97
Utd Assurance	5.45	5.28	5.40	5.37
Utd News	6.74	6.69	6.70	6.70
Utd Utilities	6.85	6.68	6.75	6.79
Vendome Lx uts	4.96	4.90	4.90	4.94
Vodafone	2.89	2.81	2.87	2.81
Whitbread	8.17	8.07	8.07	8.15
Williams Hdgs	3.30	2.97	3.01	3.38
Wolseley	4.89	4.84	4.84	4.88
WPP Group	2.53	2.42	2.51	2.44
Zeneca	18.15	17.79	17.94	17.92

Madrid
Bolsa index: 477.86 Previous: 477.53

	High	Low	Close	Prev.
Acerinox	20380	19750	20280	19750
ACESA	1775	1750	1775	1755
Aguas Barcelon	5808	5740	5770	5710
Argentaria	5810	5720	5810	5750
BBV	8840	8760	8840	8750
Banesto	1105	1090	1090	1090
Bankinter	20490	19990	20440	19950
Bco Centro Hisp	3895	3815	3895	3810
Bco Exterior	2835	2810	2835	2860
Bco Popular	26350	25850	26290	25800
Bco Santander	9580	9200	9470	9230
CEPSA	4490	4405	4410	4490
Continente	2605	2570	2585	2585
Corp Mapfre	8170	8050	8060	8150
Endesa	9360	9240	9290	9320
FECSA	1240	1185	1210	1240
Gas Natural	34000	32600	33300	33440
Iberdrola	1630	1605	1630	1610
Pryca	2720	2680	2715	2710
Repsol	5730	5630	5660	5690
Sevillana Elec	1418	1360	1375	1395
Tabacalera	6620	6530	6540	6590
Telefonica	3400	3325	3400	3345
Union Fenosa	1175	1160	1170	1170
Valenc Cement	1500	1460	1498	1490

Manila
PSE index: 3222.38 Previous: 3335.73

	High	Low	Close	Prev.
Ayala B	30	29.50	29.50	29.50
Ayala Land	31	30	30	30
Bk Philip Isl	195	194	194	195
C&P Homes	13.25	13	13	13.25
Manila Elec A	126	124	125	126
Metro Bank	740	730	730	735
Petron	11	10.75	10.75	11
PCIBank	402.50	385	400	385
Phil Long Dist	1590	1580	1580	1590
San Miguel B	102	101	101	101
SM Prime Hdg	7.80	7.60	7.80	7.60

Mexico
Bolsa index: 3808.54 Previous: 3778.46

	High	Low	Close	Prev.
Alfa A	44.50	43.90	44.50	44.10
Banacci B	19.20	18.74	19.20	18.68
Cemex CPO	30.90	30.25	30.85	30.30
Cifra C	11.30	11.00	11.26	11.00
Emp Moderna	45.35	45.00	45.20	45.00
Gpo Carso A1	48.00	47.45	48.00	47.45
Gpo Fin Inbursa	28.20	28.00	28.00	28.40
Kimb Clark Mex	169.00	169.00	169.00	168.80
Televisa CPO	103.80	98.20	100.90	103.80
TelMex L	15.60	15.42	15.54	15.50

Milan
MIB Telematico: 12514.00 Previous: 12587.00

	High	Low	Close	Prev.
Alleanza Assic	13650	13340	13400	13460
Bca Comm Ital	3460	3390	3455	3445
Bca Fideuram	4770	4560	4595	4795
BCA Roma	1377	1340	1374	1370
Benetton	20500	19900	20400	20195
Credito Italiano	2390	2300	2370	2340
Edison	9840	9685	9610	10000
ENI	9100	8915	9845	9860
Fiat	5300	5250	5275	5350
Generali Assic	32950	32500	32500	32950
IMI	15775	15310	15575	15630
INA	2345	2315	2325	2340
Italgas	6510	6400	6420	6515
Mediaset	7340	7220	7275	7300
Mediobanca	12030	11740	11885	11935
Montedison	1290	1270	1275	1288
Parmalat	2575	2450	2485	2440
Pirelli	3580	3525	3570	3600
RAS	16300	16055	16165	16140
Rolo Banca	17850	17500	17740	17800
S Paolo Torino	11530	11350	11425	11700
Stet	8545	8370	8445	8485
Telecom Italia	4590	4465	4550	4600
TIM	4740	4655	4675	4735

Montreal
Industrials index: 3020.53 Previous: 3056.92

	High	Low	Close	Prev.
Bce Mob Com	42.20	42	42.20	42
Cdn Tire A	24.45	24.10	24.30	24¼
Cdn Util A	32⅝	32½	32⅝	32.30
CT Finl Svc	31.30	31.30	31.30	31¼
Gaz Metro	16½	16.30	16.40	16.35
Gt-West Lifeco	22¼	22¼	22⅛	22⅛
Imasco	39.20	38½	38.65	39.10
Investors Grp	26.90	26.90	26.90	26.90
Loblaw Cos	17	17	17	17
Natl Bk Canada	16.20	15.90	15.95	16.10
Power Corp	29.45	29.10	29.30	29⅛
Power Finl	26.80	26.60	26⅝	26.60
Quebecor B	25.10	24.90	25.05	25.10
Rogers Comm B	9	8.85	8.90	8.90
Royal Bk Cda	55	54.45	54⅛	54⅛

Oslo
OBX index: 596.40 Previous: 589.94

	High	Low	Close	Prev.
Aker A	182	180	181.50	181
Bergesen Dy A	146	128	142.50	143.50
Christiania Bk	26.50	26	26.10	25.70
Den norske Bk	30.88	30	30.40	30.30
Elkem	104.50	103	104.50	101.50
Hafslund A	48.50	48	48.50	48.50
Kvaerner Asa	345	339	340	342
Norsk Hydro	363	357	360	361
Norske Skog A	210	205	206	205
Nycomed A	105	102.50	104	103.50
Orkla Asa A	541	514	537	508.50
Petm GeoSvc	288	284	284	275
Saga Petm A	117	116	117	115
Schibsted	140	136	139.50	136.50
Transocean Off	395	391	395	386
Storebrand Asa	40	38.90	39.40	39.10

Paris
CAC-40: 2627.42 Previous: 2628.41

	High	Low	Close	Prev.
Accor	755	744	750	749
AGF	196.50	194.50	195.50	194.10
Air Liquide	930	903	908	929
Alcatel Alsth	591	577	587	573
Axa-UAP	378	372.60	375.50	377.40
Bancaire	727	695	715	725
BIC	934	920	932	924
BNP	239	235	237	236.70
Canal Plus	1184	1155	1164	1179
Carrefour	3569	3427	3558	3422
Casino	248	246.60	246.70	247.40
CCF	276.90	265.10	271	276
Cetelem	722	692	700	710
Christian Dior	887	875	879	881
CLF-Dexia Fran	525	513	521	524
Credit Agricole	1270	1270	1270	1276
Danone	875	865	874	867
Elf-Aquitaine	575	562	568	564
Eridania BS	933	920	925	908
Eurotunnel	7.25	7.05	7.05	7.25
Gen. Eaux	802	786	792	802
Havas	484	466	466	466.70
Imetal	854	837	849	856
Lafarge	374.50	364.10	364.70	370
Legrand	955	923	934	945
L'Oreal	2065	2010	2039	2050
LVMH	1436	1411	1419	1424
Lyon. Eaux	575	562	566	575
Michelin B	345.90	338.30	341.60	340.40
Paribas A	410	405.30	405.50	404.90
Pernod Ricard	319.80	314	317.30	312.30
Peugeot Cit	603	569	584	612
Pinault-Print	2453	2400	2405	2428
Promodes	1695	1665	1679	1677
Renault	128.50	121	122.50	130
Rexel	1700	1686	1700	1695
Rh-Poulenc A	195.80	187	193.30	186.60
Sanofi	589	574	576	583
Schneider	308.90	303	304.10	307.50
SEB	1130	1096	1097	1100
SGS Thomson	405	396.10	404.50	402
Ste Generale	679	660	678	664
Sodexho	2800	2768	2779	2768
St Gobain	874	843	843	858
Suez	277.50	270	274	275.80
Synthelabo	602	595	599	597
Thomson CSF	172	169.10	172	170
Total B	471.80	465.10	465.20	469.80
Usinor	84.90	83.30	84.90	83.80
Valeo	393	373	378	388.60

São Paulo
Bovespa index: 86999.90 Previous: 87649.30

	High	Low	Close	Prev.
Bradesco Pfd	9.40	9.10	9.20	9.10
Brahma Pfd	742.08	740.00	742.00	735.00
Cemig Pfd	49.10	49.00	49.10	48.50
CESP Pfd	62.00	62.00	62.00	61.60
Copel	15.00	14.90	15.00	15.25
Eletrobras	467.00	455.00	467.00	452.00
Itaubanco Pfd	585.03	560.00	585.00	560.00
Light Servicios	415.00	395.00	396.00	390.00
Lightpar	340.00	310.00	310.10	336.00
Petrobras Pfd	229.00	224.00	228.00	222.00
Telebras Pfd	100.90	100.50	100.60	100.60
Telemig	165.00	153.00	153.00	160.00
Telerj	165.00	165.00	165.00	165.00
Telesp Pfd	303.99	295.00	299.00	305.00
Unibanco	40.60	40.50	40.50	40.51
CVRD Pfd	27.10	26.99	27.10	26.50

Seoul
Composite index: 721.00 Previous: 716.71

	High	Low	Close	Prev.
Dacom	129500	120000	122000	124000
Daewoo Heavy	5310	5020	5190	5800
Kia Motors	15600	15200	15300	15500
Korea El Pwr	28100	27900	28100	28100
Korea Exch Bk	7280	7070	7150	7220
Korea Mob Tel	544000	538000	541000	544000
LG Semicon	22700	21500	22700	21100
Pohang Iron St	44200	43100	44000	43800
Samsung Elec	61000	59000	59500	59000
Shinhan Bank	10900	10700	10900	10700

Singapore
Straits Times: 2252.46 Previous: 2254.60

	High	Low	Close	Prev.
Asia Pac Brew	8.30	8.10	8.30	8
Cerebos Pac	10.60	10.20	10.20	10.70
City Dev	15.40	15.20	15.30	15.10
Cycle Carriage	15.40	14.90	15.20	14.80
Dairy Farm Intl*	0.80	0.78	0.78	0.79
DBS foreign	20.20	19.90	20.20	19.80
DBS Land	6.15	6	6.10	6.05
Far East Leving	6.65	6.30	6.30	6.70
Fraser & Neave	13.60	13.40	13.40	13.50
HK Land*	2.93	2.83	2.86	2.90
Jard Matheson*	6.10	5.85	5.90	6
Jard Strategic*	3.42	3.36	3.36	3.40
Keppel	11.10	10.80	10.90	11
Keppel Bank	4.38	4.28	4.30	4.32
OCBC foreign	19.80	19.60	19.80	19.60
OS Union Bk F	11.80	11.60	11.80	11.60
Parkway Hdgs	6.05	5.95	6	5.95
Sembawang	8.50	8.30	8.35	8.35
Sing Air foreign	13.60	13.40	13.50	13.50
Sing Land	9.10	8.85	9	8.80
Sing Press F	30.20	29	30.10	29.10
Sing Tech Ind	3.94	3.84	3.92	3.84
Sing Telecomm	3.44	3.36	3.38	3.40
Straits Steam	5.30	5.10	5.10	5.20
Tat Lee Bank	3.70	3.64	3.68	3.62
Utd Industrial	1.34	1.28	1.29	1.30
Utd O'Sea Bk F	17.30	16.70	17.30	16.70
Wing Tai Hdgs	4.62	4.52	4.56	4.56

*: In U.S. dollars.

Stockholm
SX 16 index: 2792.46 Previous: 2801.61

	High	Low	Close	Prev.
AGA B	109.50	106.50	106.50	109
ABB A	920	899	911	918
AssiDoman	189.50	185	186.50	189.50
Astra A	360.50	355	357.50	354.50
Atlas Copco A	174.50	170	174	173
Autoliv	326	322	325	322
Electrolux B	455	425	447	453
Ericsson B	250	244	245.50	249
Hennes B	1057	1020	1025	1027
Incentive A	538	530	533	535
Investor B	345	339	340	343.50
MoDo B	230	224	224	226
Nordbanken	235	227	233	229.50
Pharm/Upjohn	279	277	277	275.50
Sandvik B	198.50	192	192.50	197.50
Scania B	196.50	194.50	196	195.50
SCA B	170	165	167	165
S-E Banken A	73	70.50	72.50	70.50
Skandia Fors	212	206.50	207.50	204.50
Skanska B	311	307	310	310
SKF B	189.50	187	187.50	187
Sparbanken A	120	116	120	116.50
Stadshypotek A	190	187	190	188.50
Stora A	104	101	102	103
Sv Handles A	194	190	193	190
Volvo B	183	179	179	180.50

Sydney
All Ordinaries: 2482.60 Previous: 2496.40

	High	Low	Close	Prev.
Amcor	8.48	8.35	8.37	8.40
ANZ Bkg	8.43	8.31	8.31	8.38
BHP	18.17	17.95	17.95	18.02
Boral	3.62	3.55	3.58	3.60
Brambles Ind.	22.81	22.40	22.45	22.80
CBA	14.02	13.75	13.90	13.93
CC Amatil	13.66	13.50	13.66	13.46
Coles Myer	5.24	5.14	5.17	5.20
Comalco	6.95	6.84	6.86	6.85
CRA	19.11	18.78	18.78	19.09
CSR	4.63	4.57	4.59	4.60
Fosters Brew	2.69	2.67	2.67	2.68
Gen Prop Trust	2.49	2.45	2.45	2.48
GIO Australia	3.62	3.55	3.60	3.53
Goodman Fld	1.57	1.54	1.55	1.57
ICI Australia	13	12.68	12.68	12.95
John Fairfax	3.09	3.02	3.03	3.10
Lend Lease	23.36	23	23.10	23
Mayne Nickless	7.70	7.58	7.65	7.62
MIM Hdgs	1.86	1.83	1.83	1.83
Nat Aust Bank	16.70	16.48	16.54	16.52
Nat Mutual Hdg	2.02	1.88	1.89	1.94
News Corp	6.74	6.63	6.66	6.71
Normandy Min	1.71	1.69	1.70	1.71
North Ltd	4.22	4.17	4.17	4.23
Pacific Dunlop	3.16	3.09	3.16	3.13
Pioneer Int'l	4	3.97	3.99	3.98
Pub Broadcast	6.92	6.80	6.80	6.86
Qantas Airways	2.42	2.36	2.36	2.42
Santos	4.92	4.76	4.76	4.88
Southcorp	4.50	4.44	4.45	4.47
Westfarmers	10.01	9.95	10	9.97
WMC	8.21	8.12	8.12	8.19
Westfield Trust	2.46	2.42	2.44	2.46
Westpac Bkg	7.87	7.65	7.65	7.83
Woodside Pet	9.37	9.12	9.12	9.34
Woolworths	3.38	3.35	3.35	3.37

Taipei
Stock Market index: 7499.51 Previous: 7536.28

	High	Low	Close	Prev.
Cathay Life Ins	180	176	176	178
Chang Hwa Bk	171	168	168	170
Chiao Tung Bk	88	86	86.50	85.50
China Develpmt	103.50	99	100	101.50
China Steel	25.80	25.30	25.50	25.20
First Bank	179	176	176	178
Formosa Plastic	71	69	70	69.50
Hua Nan Bk	145	142	142	143.50
Intl Comm Bk	84.50	83	83	83.50
Nan Ya Plastics	67	64.50	66	65
Shin Kong Life	116	112	112	114
Taiwan Semi	63	60.50	61	63.50
Tatung	54	52.50	53.50	52.50
Utd Micro Elec	41.20	39.80	39.90	40.70
Utd World Chin	71	70	70	70

Tokyo
Nikkei 225: 18722.88 Previous: 18488.86

	High	Low	Close	Prev.
Ajinomoto	1090	1080	1090	1090
All Nippon Air	822	785	803	791
Asahi Bank	813	808	812	813
Asahi Chem	644	632	643	632
Asahi Glass	1110	1070	1100	1070
Bk Tokyo Mitsu	1920	1890	1900	1910
Bk Yokohama	596	570	596	570
Bridgestone	2310	2260	2300	2280
Canon	2810	2720	2760	2750
Chubu Elec	2050	2010	2020	2010
Chugoku Elec	2020	2000	2000	2000
Dai Nipp Print	2010	1970	1990	1970
Dai-Ichi Kang	1270	1250	1250	1260
Daiwa Bank	514	502	514	501
Daiwa House	1380	1350	1360	1370
Daiwa Sec	932	913	929	901
DDI	7500a	6880a	7490a	6980a
Denso	2630	2550	2620	2550
East Japan Ry	5010a	4930a	4950a	5000a
Eisai	2410	2380	2380	2380
Fanuc	3820	3720	3770	3800
Fuji Bank	1270	1250	1260	1260
Fuji Photo	4250	4090	4230	4120
Fujitsu	1260	1240	1240	1240
Hachijuni Bk	1050	1030	1040	1040
Hitachi	1150	1120	1150	1120
Honda Motor	3720	3640	3650	3640
IBJ	1420	1390	1410	1410
Itochu	590	581	585	590
Ito-Yokado	5750	5590	5590	5750
JAL	519	501	505	501
Japan Tobacco	8010a	7950a	7990a	8110a
Jusco	3520	3470	3500	3510
Kajima	720	699	705	710
Kansai Elec	2100	2060	2080	2050
Kao	1330	1290	1290	1300
Kawasaki Hvy	495	484	493	492
Kawa Steel	339	316	333	314
Kinki Nipp Ry	732	720	724	724
Kirin Brewery	1050	1030	1030	1060
Kobe Steel	224	208	218	207
Komatsu	889	857	866	885
Kubota	546	535	536	545
Kyocera	7390	7170	7220	7170
Kyushu Elec	2060	2030	2040	2040
LTCB	399	388	390	385
Marubeni	480	472	476	479
Marui	1760	1720	1750	1780
Matsu Elec Ind	1990	1960	1980	1950
Matsu Elec Wk	1010	999	1000	1020
Mitsubishi	1120	1100	1120	1110
Mitsubishi Ch	333	327	333	325
Mitsubishi El	718	692	715	699
Mitsubishi Est	1410	1340	1370	1330
Mitsubishi Hvy	906	892	894	907
Mitsubishi Mat	919	908	919	898
Mitsubishi Tr	1310	1280	1300	1270
Mitsui	916	905	911	905
Mitsui Fudosn	1300	1230	1280	1230
Mitsui Trust	713	703	712	708
Murata Mfg	4330	4280	4280	4350
NEC	1460	1430	1460	1450
Nikon	1890	1740	1860	1750
Nikko Sec	704	680	702	675
Nintendo	8220	8070	8200	8040
Nipp Express	745	726	730	715
Nippon Oil	506	495	501	500
Nippon Steel	338	316	332	309
Nissan Motor	801	786	793	795
NKK	267	251	259	251
Nomura Sec	1620	1590	1600	1610
NTT	9040a	8800a	8850a	8720a
NTT Data	3180b	3060b	3150b	3120b
Oji Paper	678	660	660	678
Osaka Gas	296	290	292	290
Ricoh	1520	1490	1500	1510
Rohm	9050	9000	9000	9100
Sakura Bk	687	675	683	680
Sankyo	3590	3490	3530	3630
Sanwa Bank	1300	1280	1300	1280
Sanyo Elec	508	497	503	503
Secom	6810	6730	6750	6750
Seibu Rwy	4600	4490	4500	4650
Sekisui House	1080	1050	1050	1040
Seven-Eleven	7760	7590	7710	7590
Sharp	1660	1630	1640	1640
Shikoku El Pwr	2000	1960	1970	1990
Shin-etsu Ch	2450	2400	2430	2440
Shizuoka Bk	1040	1010	1020	1010
Softbank	11800	10800	11500	11200
Sony	9180	9050	9080	9070
Sumitomo	896	882	884	900
Sumitomo Bk	1330	1300	1330	1300
Sumit Chem	468	456	463	465
Sumitomo Elec	1710	1680	1700	1680
Sumit Metal	291	274	289	275
Sumit Trust	958	947	947	955
Taisho Pharm	2920	2850	2890	2890
Takeda Chem	2730	2650	2670	2700
TDK	8500	8310	8320	8500
Tohoku El Pwr	1990	1950	1960	1980
Tokai Bank	920	912	920	916
Tokio Marine	1110	1080	1080	1100
Tokyo El Pwr	2160	2120	2150	2130
Tokyo Electron	4580	4410	4530	4390
Tokyo Gas	303	297	303	301
Tokyu Corp.	546	535	537	536
Tonen	1260	1210	1210	1240
Toppan Prtg	1420	1390	1410	1400
Toray Ind	740	717	739	711
Toshiba	729	717	722	715
Tostem	2840	2790	2840	2870
Toyo Trust	753	740	740	744
Toyota Motor	3480	3420	3440	3410
Yamanouchi	2540	2470	2490	2430

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6205.89 Previous: 6225.78

	High	Low	Close	Prev.
Abitibi Price	22.20	22	22	22¼
Alberta Energy	32	31	31.30	31.95
Alcan Alum	47½	46¾	47.40	46.80
Anderson Expl	17.15	16.85	17	17
Bk Montreal	50½	49.65	49.90	50.20
Bk Nova Scotia	53.20	52.45	52¾	53
Barrick Gold	36½	35.40	36.10	36.65
BCE	71.60	71.20	71.40	71.30
BC Telecomm	30.90	30¾	30¾	30.80
Biochem Pharma	79.65	78	79.65	79.65
Bombardier B	25.55	25.40	25.45	25.40
Brascan A	30.70	30.40	30.60	30.60
Bre-X Minerals	25.55	22.10	23.90	24.65
Cameco	52¼	52	52	52.15
CIBC	66.80	65.30	65.80	66.55
Cdn Natl Rail	53	51.60	51¾	52½
Cdn Nat Res	34.95	33.80	34	34½
Cdn Occid Pet	24.20	23.85	24.10	24.10
Cdn Pacific	36	34.85	35.15	35.65
Cominco	38¼	38.15	38.15	38½
Dofasco	25.30	24½	24.60	24.85
Domtar	11.90	11.85	11.90	11.85
Donohue A	26¼	25.90	26.10	26¼
Du Pont Cda A	32.70	32½	32½	32.65
Edper Group	21.60	21.35	21.55	21.35
EuroNev Mng	38.45	38	38.35	38
Fairfax Finl	299	298¼	299	298½
Falconbridge	30.70	30.30	30.35	30.45
Fletcher Chall A	22.30	22	22¼	22.15
Franco Nevada	59¼	58.80	59	58.90
Gulf Cda Res	11	10.65	10.90	10.85
Imperial Oil	64½	64.15	64.20	64½
Inco	47.60	47.20	47.30	47.30
IPL Energy	41	40.55	40.55	40.60
Laidlaw B	18.30	18.05	18.30	18.10
Loewen Group	49¾	48.45	49.70	48½
Macmill Bldl	18¼	18.05	18.10	18.05
Magna Intl A	75	72¼	75	72¾
Methanex	14.35	14	14.20	14.35
Moore	30.15	29½	30	29½
Newbridge Net	46.70	44.80	45.65	45.85
Noranda Inc	33	32.65	32.70	33
Norcen Energy	30.90	30.10	30.10	30.95
Nthern Telecom	103.60	101	101.70	104½
Nova	13.10	12.90	13	13
Onex	23.40	23.15	23.15	23.40
Pancdn Petm	54¼	54.60	54.70	54.60
Petro Cda	20.70	20½	20.65	20½
Placer Dome	28.55	28.10	28.35	28
Poco Petm	14.30	14.15	14.30	14.15
Potash Sask	108.45	105.10	108.35	108.45
Renaissance	45¼	44½	44.60	44¼
Rio Algom	32.45	32¼	32.30	32.45
Rogers Cantel B	25¼	25½	25¼	25.85
Seagram Co	56.20	55¼	55½	55.90
Shell Cda A	56½	55¼	56	56
Stone Consold	21½	21	21½	20.90
Suncor	59.90	59	59.70	59½
Talisman Eny	46½	46.20	46.30	46¼
Teck B	37	36½	36½	37
Teleglobe	42.05	41.05	41.05	42
Telus	21.35	21.20	21.30	21.35
Thomson	28.15	28	28.15	28.10
TorDom Bank	40	39.30	39.55	39.80
Transalta	16.80	16½	16.55	16.70
TransCda Pipe	25.70	25.25	25½	25.55
Trimark Finl	45½	45	45¼	45
Trizec Hahn	32.80	32	32	32.85
TVX Gold	10.80	10.40	10.70	10.45
Westcoast Eny	25	24.80	24.90	25
Weston	74.70	74.35	74.70	74.55

Vienna
ATX index: 1213.36 Previous: 1212.03

	High	Low	Close	Prev.
BBAG	765	752	763	755.20
Boehler-Uddeh	862	821.50	850	821.50
Brau-Un Goess	675	665	670	675
Creditanst Pfd	424.20	417.10	421	421
EA-Generali	3440	3405	3450	3405
EVN	1750	1718	1748	1729
Flughafen Wien	570	559.50	564	566
Mayr-Melnhof	622	610	617	615
OMV	1397.90	1383	1384	1394.90
Oest Elektriz	875	868.50	872.60	872.70
Radex-Hera	415	410	412	410
VA Stahl	449.50	446	449	446
VA Tech	1817	1771	1800	1814
Wienerberg Bau	2150	2132	2146	2145
Wolford	1450	1440	1440	1449

Wellington
NZSE-40 index: 2323.18 Previous: 2339.15

	High	Low	Close	Prev.
Air N Zeald B	3.81	3.80	3.81	3.80
Brierly Invt	1.37	1.36	1.36	1.36
Carter Holt ord	3.30	3.28	3.29	3.30
Fletch Ch Bldg	4.64	4.50	4.50	4.65
Fletch Ch Eny	4.11	4.09	4.09	4.10
Fletch Ch Forst	2.17	2.11	2.11	2.15
Fletch Ch Paper	2.86	2.83	2.83	2.82
Lion Nathan	3.63	3.60	3.60	3.60
Telecom NZ	7.06	6.91	6.91	7.02
Wilson Horton	11.20	11.20	11.20	11.20

Zurich
SPI index: 2839.43 Previous: 2824.34

	High	Low	Close	Prev.
ABB B	1833	1783	1828	1830
Adecco B	440	428.50	430	441
Alusuisse R	1195	1160	1186	1157
Ares-Serono B	1515	1495	1500	1500
Atel R	855	841	855	841
Baloise Hdg R	2925	2875	2900	2900
BK Vision	836	825	829	825
Clariant R	679	670	671	674
Crd Suisse Gp R	150.50	148.50	150	149.25
Elektrowatt B	541	538	541	540
Ems-Chemie	5675	5610	5635	5625
ESEC Hdg	4775	4600	4700	4615
Holderbank B	1090	1082	1089	1083
Nestle R	1629	1614	1628	1612
Novartis R	1749	1738	1747	1740
Pargesa Hld B	1515	1500	1500	1500
PharmaVisn B	746	739	742	741
Richemont A	2090	2050	2090	2055
Roche Hdg PC	12640	12485	12570	12465
SBC R	278	273.50	275.50	274
SGS B	3350	3290	3340	3290
SMH B	942	929	947	938
Sulzer R	985	974	982	978
Swiss Reins R	1468	1459	1465	1461
Swissair R	1350	1322	1328	1335
UBS B	1306	1277	1293	1277
Winterthur R	875	866	873	872
Zurich Assur R	429.50	425	426.50	427

NYSE

Friday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 14

Jakarta Pressures Canadian Companies To Make Gold Deal

Compiled by Our Staff From Dispatches

JAKARTA — The Indonesian government warned two Canadian mining companies Friday to agree on terms for developing a large gold deposit by Monday or risk losing the project.

Jakarta gave the Canada-based mining companies Bre-X Minerals Ltd. and Barrick Gold Corp. until the end of the weekend to strike a deal with their Indonesian partners over equity sharing and other terms of the deal.

Mines and Energy Minister I. B. Sudjana warned that the government would open the gold deposit's development to international bidding if an agreement was not announced by Monday.

"If they fail, everything that has been discussed" with the ministry "will be ruled out and we will make a new tender," he said after meeting President Suharto.

Bre-X, based in Calgary, Alberta, found the Busang field, one of the world's biggest gold deposits, but was forced by Indonesia last year to form a joint venture with Toronto-based Barrick, the world's No. 3 gold producer and Canada's largest mining company.

Under terms proposed by Indonesia, Barrick would get 65 percent of the venture and Bre-X just 25 percent, while the government would get the remaining 10 percent.

The field, in east Kalimantan on the Indonesian side of Borneo, is believed to contain 50 million to 100 million ounces of gold.

Mr. Sudjana had said previously that Bre-X must agree to an equity partnership with Barrick as a condition of being granted a work permit to develop a mine there. The permit, which requires Mr. Suharto's signature, has not yet been issued.

Bre-X indicated late last year that it wanted Mr. Suharto to open up bidding for the deposit, letting the company try to negotiate a deal without fear of losing its entire stake.

Placer Dome Inc., the No. 2 Canadian mining company after Barrick, entered the dispute in January by offering to buy Bre-X for $4.5 billion. It proposed a deal that would give the government and Bre-X's Indonesian partners 40 percent of the Busang field.

The proposal calls for building a mine and processing plant on Borneo at a cost of about $1.7 billion, with production to begin in 1999.

But a news report Friday quoted unidentified sources close to the negotiations as saying the U.S. mining giant Freeport-McMoRan Copper and Gold Inc. has unexpectedly emerged as Bre-X's partner in the venture. A Freeport spokesman, Ed Pressman, in Jakarta refused to confirm or deny the report.

Freeport, based in New Orleans, operates a large gold and copper mine in Indonesia's easternmost province of Irian Jaya on New Guinea.

Barrick, which only entered the gold business in 1983, is already the world's most profitable producer.

(AFP, Bloomberg, AP)

No Delay on Liquor-Duty Cuts

WTO Tells Tokyo to Narrow Tax Gap in 1 Year

Bloomberg News

TOKYO — The World Trade Organization has asked Japan to narrow the gap between taxes on domestically produced liquors and imported ones by Feb. 1, 1998, a Finance Ministry official said on Friday.

To comply with the ruling, Japan must move up its schedule for raising taxes on the domestic spirit *shochu* and cutting levies on such imported liquors as cognac, Scotch whisky and bourbon.

A senior Finance Ministry official said Tokyo would comply.

Shares of Takara Shuzo Co., the top shochu distiller, closed down 16 yen at 707 ($5.68), amid unconfirmed reports of the WTO decision. The Finance Ministry withheld comment until after trading ended in Tokyo. Shochu, which makes up about 7 percent of the 10 million kiloliters (2.63 billion gallons) of alcohol shipped in Japan each year, accounts for about a third of Takara Shuzo's sales.

Speeding up the tax reform could cause earnings of shochu makers to come in much lower than expected in the year to March 1999, said Mizuho Kadota of Lehman Brothers Japan Inc.

"After an initial shock, demand should recover," she said. "So the long-term impact on the industry is minimal."

Other leading Japanese shochu makers include Yomeishu Seizo Co., whose stock fell 11 yen to 830, Godo Shusei Co., whose shares were unchanged at 410 yen, and Mercian Corp., whose stock rose 4 yen to 709.

The WTO ruled last year that the Japanese tax system unfairly hindered sales of imported spirits and encouraged Japanese to buy shochu. It made the decision in response to complaints from the European Union, the United States and Canada.

The Geneva-based global trade body ordered Japan to negotiate liquor tax rates with the two complaining parties. Its ruling allows the United States to impose punitive sanctions against Japan if the two countries fail to reach an agreement and Japan fails to increase taxes by early next year.

Washington rejected a Japanese proposal last month to raise taxes on shochu over a four-year period beginning in October.

Japan and the European Union reached an agreement this month in which Tokyo pledged to narrow the tax differential between domestic and imported liquors in two stages, with the first coming Oct. 1 and the second a year later. Under the plan, the differential for such "brown" spirits as whiskey and cognac would fall to 3 percent from 600 percent, while the differential on clear liquors, such as gin and vodka, would disappear entirely.

But the EU agreement also called for the final tax increase on shochu to come in 2001.

The accord would have cut reduced tariffs on European whiskey and brandy, saving the whiskey industry about $110 million and brandy makers about $49 million from 1998 to 2002. Japan is the second-largest export market for U.S. and European whiskey makers.

U.S. companies sell $100 million worth of spirits to Japanese consumers each year. European companies including Guinness PLC, Grand Metropolitan PLC and Allied Domecq PLC sell a total of about £119.5 million ($193.8 million) worth of Scotch whisky a year in Japan.

The Japanese liquor market is worth about $25.5 billion a year, according to Euromonitor, a market research firm. Imports account for only about 8 percent, compared with 35 percent in the United States and 30 percent in Germany.

Asahi Beats Kirin As Top Beer Seller

Bloomberg News

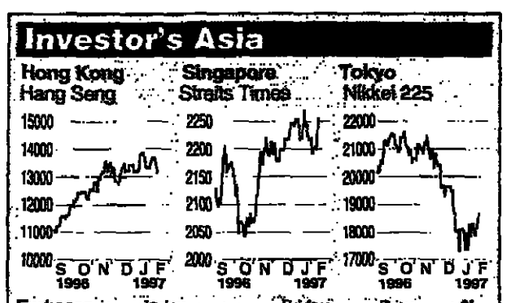
TOKYO — Asahi Breweries Ltd. has surpassed Kirin Brewery Co. Ltd. as Japan's top beer seller by volume for the first time in 44 years, the companies said Friday.

Asahi Breweries, Japan's second-largest brewer with more than 30 percent of the domestic market, shipped 35 percent more beer in January than in the same month a year before on the strength of strong sales of Asahi Super Dry, which surpassed Kirin Lager in June as Japan's top selling beer.

Asahi shipped 10.301 million cases of beer, including 8.4 million cases of Super Dry. Kirin shipped 9.996 million cases, a decline of 11.6 percent compared with January last year.

Asahi shares closed unchanged at 1,110 yen ($8.92) Friday, while Kirin shares closed down 30 yen, at 1,030 yen.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,113.26	13,239.65	-0.96
Singapore	Straits Times	2,252.46	2,254.88	-0.10
Sydney	All Ordinaries	2,482.60	2,496.40	-0.55
Tokyo	Nikkei 225	18,722.00	18,688.98	+0.18
Kuala Lumpur	Composite	1,246.91	1,259.10	-0.97
Bangkok	SET	713.48	698.06	+2.21
Seoul	Composite Index	721.09	716.71	+0.60
Taipei	Stock Market Index	7,499.51	7,536.28	-0.49
Manila	PSE	3,322.30	3,335.73	-0.40
Jakarta	Composite Index	704.48	707.37	-0.41
Wellington	NZSE-40	2,328.18	2,339.15	-0.68
Bombay	Sensitive Index	3,521.99	3,492.65	+0.84

Source: Telekurs International Herald Tribune

Very briefly:

- **Hong Kong's** average residential real-estate prices will rise about 15 percent to 20 percent by February 1998, said Peter Churchouse, managing director at **Morgan Stanley Asia Ltd.**
- **Endang Mokodompit**, the top shareholder in Singapore's **Auric Pacific Group Ltd.** is in talks to sell her 24.92 percent stake in the company to Indonesia's **Lippo Group** for about 76.5 million Singapore dollars ($3.9 million).
- **Chiba Shinkin Bank** and **Ryoso Shinkin Bank** will merge in February 1998 to become the largest credit association in Chiba prefecture.
- **Ginanjar Kartasasmita**, Indonesia's planning minister, said Indonesia's economic growth was expected to have slowed to 7.5 percent to 8 percent in 1996, compared with 8.07 percent in 1995.
- **KDD America Inc.**, the U.S. subsidiary of the Japanese telephone company **Kokusai Denshin Denwa**, plans to begin telephone services between the United States and countries other than Japan.

Bridge News, Reuters, Bloomberg

Talks on Mine Sale Falter in Australia

Compiled by Our Staff From Dispatches

CANBERRA — The future of an Australian zinc mine that has been valued at 1 billion Australian dollars ($771 million) and is potentially the world's largest zinc mine was under threat Friday after negotiations between the mine owner, RTZ-CRA, and aborigine representatives collapsed.

Asked if the outback Queensland mine would go ahead, Rob Borbidge, the prime minister of Queensland, said, "I wouldn't hold my breath."

"We obviously are disappointed that the negotiations did not produce a result," said a spokesman for Century Zinc Ltd., a subsidiary of RTZ-CRA.

The company had expected to forge an agreement with aboriginal groups by midnight Thursday, but withdrew a 60 million dollar employment and compensation package when only four of the 12 groups claiming a right to the land would sign the agreement.

A landmark court ruling in 1992 determined that aborigines might still have rights to their traditional lands. The legislative framework set up to regulate native entitlements gives aborigines the right to negotiate over development.

If an agreement on Century is not reached in the next few days, the issue will move to the Native Title Tribunal, which can take up to six months to forge a binding agreement.

Another court decision in December widened the clash between aborigines' native title and primary producers by ruling — contrary to previous assumptions — that aborigines still had rights even when a lease had been granted over the land.

Prime Minister John Howard of Australia on Friday met groups arguing for and against moves by Parliament to neutralize the latest ruling.

Farmers and others generally want Parliament to abolish native title for land covered by a lease, but others just want a definition of what aborigines are entitled to.

The latest breakdown in talks delays RTZ-CRA's planned 345 million dollar sale of Century Zinc and the nearby Dugald River lead-zinc deposit to Pasminco Ltd., an Australian base metals miner. That was conditional on agreement with aboriginal groups.

"Frankly I think it was a defining moment," said Greg Walker, RTZ-CRA's Queensland external affairs manager, referring to the deadline. "People have known for a long time that was the time frame and if you didn't have an agreement you moved on." *(Reuters, Bloomberg)*

Asahi Bank to Pay $5 Million U.S. Fine

Compiled by Our Staff From Dispatches

TOKYO — Asahi Bank Ltd. said Friday that the Federal Reserve System had fined it $5 million, charging that officers of its New York branch had misled bank examiners and engaged in misuse of confidential documents.

The Japanese bank admitted to the allegations but said that the six officers involved had not sought to conceal losses or any illegal transactions or activities. The bank said it had removed the officers from their positions and overhauled the branch's management.

Asahi said the fine would not affect its commitment to U.S. operations.

"We will maintain our business in the United States," a bank official said.

Asahi had total assets of 28.95 trillion yen ($232.72 billion) as of September.

President Shigehiko Yoshino signed a formal cease-and-desist order and an order of assessment for the fine. The general manager of the New York branch, Katsumi Sakai, also signed the documents.

"Both orders were issued for misconduct by certain officers of the New York branch relating to the alleged misuse of confidential supervisory information, to the making of allegedly false statements to bank supervisory officials, and to the alleged obstruction of a formal investigation by bank supervisory officials," the Fed said.

The bank also agreed to train its U.S. personnel "in ethics and the United States bank supervisory process," including "the necessity for candor in all communications with bank supervisors," according to the legal order.

Asahi said it had confirmed the findings of the Fed's investigation through its own inquiry, which it conducted with the help of legal advisers and the accounting firm Price Waterhouse & Co.

The bank stated that it had incurred no losses in the case other than the payment of the fine.

Asahi shares fell 1 yen on Friday to 812 in Tokyo.

Mr. Yoshino told the Kyodo news agency in November that bank employees had opened a sealed Fed inspection report regarding Asahi and that he was aware that the bank might face penalties. The Fed had reported the incident to a U.S. District Court, the Kyodo report said.

A senior Finance Ministry official said then that the ministry would consider what course of action to take after U.S. authorities completed their investigation. *(AFP, Bloomberg, Reuters)*

■ Pool to Give Kizu 1 Trillion Yen

Deposit Insurance Corp., which pools funds from Japanese banks and thrifts for banking emergencies, said Friday that it would give 1.03 trillion yen to Kizu Credit Cooperative, the giant thrift that failed in 1995, Bloomberg news reported.

The sum would cover all of Kizu's bad loans, most of which were linked to real estate investment during the late-1980s, plus additional costs incurred in the Osaka-based thrift's closure.

Under the plan, Sanwa Bank Ltd. will extend 300 billion yen in low-interest loans during the next 10 years to a special bank set up to dispose of bad loans. The Bank of Japan will lend 500 billion yen to the Deposit Insurance Corp.

GLOBAL TARGET FUND MANAGEMENT (LUXEMBOURG) S.A.

R.C. Luxembourg N° B 30 998

Registered Office:
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L-1450 LUXEMBOURG

Notice of Liquidation of Global Target Fund

Unitholders are informed that, **Global Target Fund** has been put into liquidation as of January 10th, 1997. Issuance and redemption of Units as well as calculation of the net asset value per Unit, have been suspended with effect from the same date.

Following the liquidation procedure, net liquidation proceeds have been paid to the Unitholders in proportion to the number of Units held by each of them. No amount has been deposited in escrow with the Caisse des Consignations in Luxembourg.

The accounts and the records of Global Target Fund will be deposited and kept for a period of five years at the offices of Banque Pictet (Luxembourg) S.A. 17, Cote d'Eich, L-1450 Luxembourg.

The Board of Directors of Global Target Fund Management (Luxembourg) S.A.

Manila Deficit Narrows in December

Bloomberg News

MANILA — The Philippines' trade deficit shrank for the second straight month in December due to what economists dismissed as "scheduling blips" in imports of telecommunications and transport equipment, according to government data released Friday.

The National Statistics Office said the deficit narrowed 12 percent from a year ago to $835 million in December.

The full-year trade deficit was calculated at a record $11.786 billion, up 29.6 percent from 1995. Economists had expected the deficit to be as much as $12.5 billion.

Imports grew by a slower-than-expected 21.8 percent in 1996 to $32.3 billion on slackening purchases of telecommunications equipment in November and a drop in transport equipment imports in December.

Richard Supangan, economist for the University of Asia and the Pacific, said imports in these products were lower only because of temporary blips in the purchase of these capital equipment. He said he expected the orders for these goods to be placed and filled this year, resulting in an even wider trade deficit.

"We are still expecting the trade deficit to balloon to about $15 billion this year," he said. "But this is not a cause for concern because these imports are needed to increase production and efficiency."

The government and private economists agree that a wider trade deficit is inevitable as several major industries invest in new equipment to expand capacity.

Imported capital goods, such as telecommunications equipment and industrial and electrical machinery, accounted for a third of the December imports bill.

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THE MONEY REPORT

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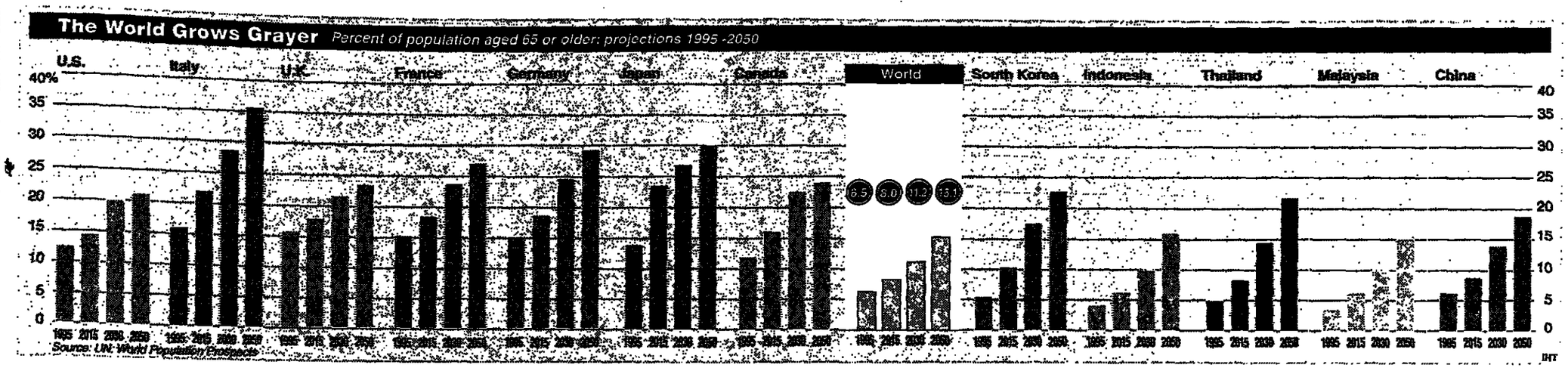


Green Today, Red Tomorrow: The Fraying of the Pension Safety Net

By Aline Sullivan

DON'T COUNT on the state. That message is sounding loud and clear through most of the developed world as governments slash retirement benefits.

For years, economists and demographers have warned that aging populations and mounting deficits would sooner or later force sharp cutbacks in state pensions. Now that politicians have leaped aboard the bandwagon, the crunch is likely to come sooner.

"Governments everywhere are looking at their social-security promises," said Sylvester Schieber, director of research at the actuarial consultants Watson Wyatt Co. in Washington. "Significant reforms are taking place in Latin America, Hong Kong, Japan, France, Germany, Sweden and the entire English-speaking world."

There is not much time to spare. The Paris-based Organization of Economic Cooperation and Development projects that in the industrialized countries that make up its membership, the proportion of people aged 65 and older will double, to 21.9 percent, by the year 2050.

The elderly also are getting older. In 1990, people over 80 accounted for 21.7 percent of the OECD population over 65. Longer life expectancy means that by 2050 they should account for about 31 percent, making them the fastest-growing segment of the population. In this group, women outnumber men almost 2 to 1. This imbalance is significant because, according to the OECD, women tend to rely more on social services.

The problem is acute in Australia, Britain, Canada, New Zealand and the United States, where the elders of the postwar baby-boom generation are approaching retirement. In the English-speaking world, only the Irish are producing more than enough children to replace the current population and ensure a relatively large workforce by the middle of the next century.

More old people means more spending on medical and pension benefits. The U.S. government's Bipartisan Commission on Entitlements and Tax Reform realized in August 1994 that at current levels, spending on Medicare, Medicaid, Social Security and federal employee retirements would consume all currently legislated federal tax revenue in just 35 years.

Politicians in the United States, where Republicans and Democrats vie for the moral high ground of fiscal rectitude and balanced budgets, have been surprisingly reluctant to tackle this problem. Instead, President Bill Clinton successfully sought reelection on the promise that he would not endanger medical and retirement programs. But the government's plan to raise the retirement age to 67 from 65 puts it well ahead of most other industrialized countries on that score.

In Europe, national governments are already scrambling to reduce public spending as a proportion of gross domestic product in order to qualify for European monetary union, which is scheduled to begin in 1999. They can scarcely afford to ignore pensions, particularly since the benefits paid in some countries bear no relation to the contributions paid by workers. In France, Italy and Sweden, pubic pensions are undergoing drastic, and controversial, reforms designed to bring benefits received by individuals closer in line with their contributions.

IN BRITAIN, where public sentiment about joining the European Monetary Union is ambivalent at best, the pay-as-you-go pension systems of most continental European countries have been a target of criticism. Britain, like Australia and Chile, has been largely successful in making a fundamental policy shift from reliance on government-provided pensions to privately provided retirement resources. These private pensions are fully funded and are therefore more likely to provide benefits to an aging population than pay-as-you-go plans.

"Continental Europe has greater unfunded pension liabilities," said Peter Morgan at the consulting actuaries Bacon & Woodrow in London. "These countries may have to borrow in the near future to cover their benefits and that would mean higher interest rates for the U.K. if it agrees to a single currency."

In Japan, where a dramatic increase in the proportion of retired people is already being felt, workers are paying increasingly high taxes to cover the older generation's benefits. Economists warn that this approach is not sustainable, particularly since Japan has the highest life expectancy in the world: 76.3 years for men and 82.5 years for women.

According to the OECD, the proportion of Japanese aged 65 to 79 will more than triple, to 18.09 percent, by 2020, while the proportion of those aged 80 and over will surge to 7.10 percent from just 2.39 percent in 1990.

Robert Clark, a professor at North Carolina State University and a specialist on the Japanese pension system, said that at current benefit levels more than 30 percent of workers' income tax must be earmarked for pensions by 2020. That compares with a current proportion of 16.5 percent.

"Even after the recent retirement reforms, it is difficult to see how Japan will maintain a total tax burden of 50 percent," said Mr. Clark. In 1989, the Japanese government initiated a program to cut pension benefits. In 1994, it raised the retirement age for all state benefits to 65 from 60 for men and 58 for women.

IN OTHER Asian countries, including South Korea and Singapore, the current population is more youthful than in Japan and the West. But by 2030, their age structures will be similar to that in the United States, according to Mr. Schieber of Watson Wyatt. These countries, however, are moving aggressively to control the cost of their public retirement programs.

In addition to raising income taxes, many countries are increasing the tax paid on benefits. Politicians are aware of the limitations of this strategy, however.

"Most governments are letting payroll packets roll up: they are taxing their workers more and more," Mr. Schieber said. "But my sense is that people in most developed countries already feel that their taxes are already high enough."

Apart from raising taxes, the best strategy appears to be to raise the age of entitlement to pensions. Most have targeted the age of 65 and in some countries there is talk of raising it further. OECD economists reckon that raising it to 70 could largely offset upward pressure on pension expenditures as a result of demographic pressures in most countries.

Of course, workers, trade unions and companies trying to cut costs are not entirely happy about the trend to later retirement. Cutting actual retirement benefits is a less-acceptable, although equally effective, policy. For example, limiting total pension expenditure growth to the rate of GDP growth from 2015 onwards would reduce budgetary pressures dramatically. But it would also cut the value of pensions relative to average earnings 15 percentage points, to 30 percent, over the following 15 years, the OECD estimated. "The result of such reform might be many more elderly living in relative poverty in the future, unless they accumulate additional savings to make up the shortfall," warned the organization's economists.

All of this is particularly unpalatable for people under 40. The OECD warns that there are few ways to shift the burden to those who are at or near retirement. Instead, the younger generation "will have to pay the bulk of the costs one way or another." Coming attractions include: paying higher taxes; bearing the costs of higher public debt; facing lower incomes in retirement; working longer and giving up leisure time or reducing current consumption to save, the economists said.

Saving for Old Age The Diversified Way

When Variety Is the Best Policy

By Barbara Wall

BECAUSE YOU hope to maintain your standard of living after you stop working, you save for retirement. Sometimes you can do this through a single vehicle, such as a company retirement plan, a tax-advantaged personal pension or by using your investment portfolio as a source of funds, but circumstances may favor a combination of these options.

The choice will depend on your tax situation and your need for flexibility.

"Company pension schemes are considered attractive because the employer as well as the employee is contributing into the fund," said Sandipe Varma, a spokesman in Paris for the Ernst & Young accounting firm.

"These schemes are also tax-efficient," he added. "There is usually tax relief on contributions and investments will generally roll-up free of tax."

The drawback is that many company pension plans have little flexibility. The money is tied up until retirement and there are often limits placed on contributions.

In many countries, personal pension arrangements have similar tax advantages to company plans. But these can be inflexible and expensive.

Mr. Varma said it was not uncommon for two thirds of the first year's contributions to be eaten up in commission payments and management charges. He said that personal pension plans were generally not considered worthwhile if investors intended to transfer out within a few years after joining.

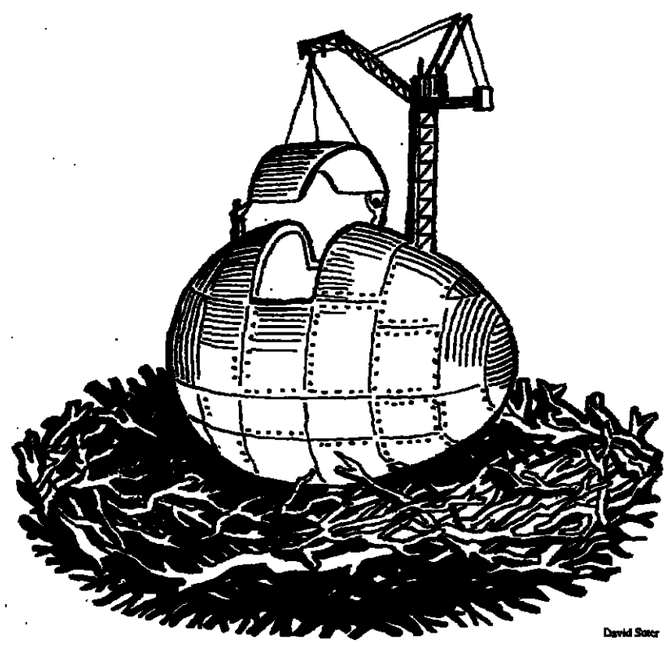
Americans living outside of the United States may not be able to contribute to a tax-efficient domestic pension arrangement. A spokesman in Rotterdam for the accountancy firm Arthur Andersen & Co. said that American expatriates, for example, may not be able to continue contributions into a 401k pension plan unless it was approved for tax purposes by the host country's tax authorities.

There are offshore savings products on the market that are dressed-up to look like structured pension arrangements. These plans are predominantly sold by insurance companies to expatriates who live in tax-benign jurisdictions, such as in the Pacific Rim and the Middle East. Since these programs are not approved for tax purposes, there are generally no investment restrictions attached nor any tax liability.

ALTHOUGH MANY people like the convenience of an offshore pension plan, the charges are generally far in excess of anything one can buy onshore," said Gordon Sharp, head of technical services in London for KPMG, the global accounting federation.

"In one study it was found that offshore pension plans worked out 50 percent more expensive than onshore personal pension arrangements," he said.

Carol Woodley, an Arthur Andersen spokeswoman in London, concurred with this evaluation.


David Suter

"Wherever possible, it is generally advisable to opt for tax-approved savings schemes as the impact of tax relief on contributions and investment income can be considerable, especially for young savers," she said.

"Nevertheless," she continued, "the restrictions on contribution levels may be such that higher-rate taxpayers are prepared to forgo tax relief in favor of added flexibility."

If you are working abroad for an extended period of time in a country where tax is not really an issue for you or if you are simply in need of flexibility in your pension arrangements, you may prefer to design your own pension portfolio.

Dana Moore, a spokeswoman for Global Asset Management Ltd. in London, said do-it-yourself investors were generally advised to have a strong equity bias in their portfolios.

SHE RECOMMENDED that 35-year-old investors who planned to retire at 60 consider placing about 15 percent of their portfolios in global multi-asset class funds, which provide exposure to a wide range of investments and trading strategies.

Global Asset Management offers two such funds, the GAM Diversity Fund and the GAM Universal Fund. Both funds are domiciled in the British Virgin Islands.

Continued on Page 17

Gender Gap Grays Into a Poverty Trap

Retirement-Plan Risks for Women

By Barbara Wall

WITH QUESTIONS about the prospects for state pensions growing and divorce rates rising, married women and those who take breaks to raise children risk retiring in poverty unless they plan their finances well in advance.

A study of British women by Flemings Investment Trusts Services, which is based in London, recently found that 53 percent of those of working age — about 10 million people — face a drastic drop in living standards when they retire. Only 40 percent of men have a similar risk, the study found.

Women around the world "are suffering because many take enforced career breaks to raise children," said a Flemings spokesman. "They are also more likely to be in contract or part-time work, especially in the services sector, where no company pension scheme is available."

A five-year career break can have a drastic impact on a woman's pension benefits. The Flemings report found that a 30-year-old woman who contributes £200 ($325) every month to a private pension plan and who stops work between the ages of 35 and 40 can expect a reduction in retirement benefits of £50,000. To make that up, the woman would have to pay an additional £65 per month throughout her working life.

As women tend to live longer than men anyway, they are advised to put more money into the pension pot while they still have the opportunity to work. Fiona Price, the director of the London-based financial advisory firm Fiona Price Associates, calculates that a women in her early 30s who earns £25,000 a year should be saving £377 per month if she plans to take a career break and retire at 60 on two-thirds of her final salary.

"If women are to avoid the poverty trap in old age they have to take charge of their finances early on in life," Ms. Price said. "They cannot rely on state benefits because in most developed nations the state pension is withering on the vines. And with divorce rates soaring it would be folly to place too much faith in their partner's pension. In some countries, such as Britain, the courts do not automatically split the pension equally in a divorce settlement."

A good occupational pension is a solid base from which to start saving for retirement. Ms. Price warned, however, that many plans would not allow a woman to make contributions if she did not have earned income. Moreover, if she decided to return to work part-time, she might not be allowed to make the same level of contributions as before.

"Women who plan to take time off from work are generally advised to opt for a flexible, pooled investment product that allows them to vary the level of monthly contributions," Ms. Price said. "The ideal product would include a waiver-of-premiums option. This ensures that should the policyholder be unable to pay her monthly premiums through ill-health or because of a career break, her final pension benefits will not be affected."

Pamela Christian, an American who lives in Paris, organizes seminars that aim to help women plan family finances. The majority of the women who attend are expatriates whose husbands have been sent abroad to work. Many have put their careers on hold for the duration of their husbands' assignments to look after their households and raise their children.

"It is surprising the number of young, educated women who leave all the financial decisions to their partners," Ms. Christian said. "Most justify their stance and say that they have total confidence in their partner to make the right choices. This approach may be satisfactory while their husbands are alive and the marriage is intact, but should their situations change these women could find themselves in serious financial difficulty."

"At the very least," she added, "a woman should know what her pension entitlements would be in the event of her husband's death. This is especially important if the women has not worked, or has given up work for an extended period of time."

With some company and private retirement plans, the pension dies with the policyholder. Most state-sponsored plans provide a widow's pension allowance, but the amount generally is low.

"Although many women do not have any earned income, they should be entitled to a 50 percent stake in any savings or investments that have accrued within marriage," Ms. Christian said. "It is not uncommon for family investments to be in the husband's name; however, the wife must insist that the investments be put in joint names in order to protect her interests."

It is also a good idea for husbands to draft a will.

"This may not seem a very pressing matter if you are in your early 30s, but if you are living abroad, say, and your partner dies, you could find that your rights under the host country inheritance laws are limited," said a Paris-based tax lawyer. "And if you are unmarried, you could end up walking away from the partnership empty-handed."

Protecting Your Nest Egg From Inflation's Nibble

By Digby Larner

WITH SLOW growth in many of the world's developed economies, the bugbear of inflation has become a dim memory to investors saving for retirement. Yet the corrosive effect of rising prices on a retirement portfolio means that many investors would profit by creating some kind of hedges against inflation.

William Burrows, a director with the British retirement specialist Annuities Direct, said that few of his clients consider that high inflation could return during their retirement. They tend to opt for annuities that pay a fixed return based on the size of the money they can afford to invest.

"Almost all the people we see buy a flat annuity instead of going for one that is linked to inflation," Mr. Burrows said. "Yet no-matter how good things look now there is always a risk that some flash point such as a war in an economically strategic country or an oil crisis will spark inflation once more"

Enforcing this trend is the recent poor performance of the index-linked government bonds on which inflation-proof annuities are based. Investors accept that index-linking has to be paid for and that such annuities pay out less at the outset than flat-rate annuities. This is fine, provided that income from the indexed annuity eventually grows to outstrip the flat-rate equivalent.

But disappointing indexed government bond prices and a steep fall in the return of flat-rate annuities has widened the gap between the two. The income paid out by indexed annuities is currently about 35 percent less than for those paying a flat rate bought with a lump sum of the same size.

The British firm Prudential Financial Services, for example, offers a flat-rate income of £9,860 ($15,970) per year on a lump-sum investment of £100,000. The same amount invested in an indexed plan buys an initial income of £6,399 with an increase of 5 percent annually.

Worldwide, these rates are among the best. Based on the performance of 10-year benchmark bond yields, which Mr. Burrows says are an excellent yardstick for international annuity rates, Britain heads the list, paying 7.4 percent. The rate in the United States is 6.52 percent, ahead of Germany at 5.73 percent and France at 5.56 percent. Japan trails the rest at 2.46 percent.

Annuity rates vary among providers but indexed rates average 30 percent to 40 percent less than these flat-rate figures.

In short, index-linked annuities are of such poor value that they risk never catching up with the income offered by the cheaper, fixed-rate version.

In fact, the difference is so great that well-disciplined retirees would be bet-

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THE MONEY REPORT

An Oddball Tip: Hang On to a Handful of Stocks

JAMES GLASSMAN *ON INVESTING*

BY NOW, you probably know that most mutual funds managed by professional stock pickers consistently do worse than the market as a whole. One study found that from 1981 to 1994, the Standard & Poor's 500 stock index produced higher returns than 81 percent of funds. Vanguard Index 500, a mutual fund that merely invests in the S&P stocks, has beaten a majority of actively managed funds in 10 of the past 12 years.

So, why not throw in the towel and simply buy an *index fund*?

Go ahead. It is not a bad idea. So far, however, I have resisted. Index funds are no fun; there is no human element. *The truth is*, exceptional fund managers can beat the market averages — often by doing things that conventional managers do not do.

I have become a connoisseur of oddball funds, which not only make good investments but can also teach us how to prosper in the market. Two idiosyncrasies that seem to pay off for nonconformists are holding on to stocks for a long time and keeping a small portfolio.

The best way to get rich in the stock market is to buy good companies and keep them. Philip Fisher, the great California investor and author of "Common Stocks, Uncommon Profits," wrote in 1958, "If the job has been correctly done when a common stock is purchased, the time to sell it is — almost never."

Most fund managers take the opposite approach. According to Morningstar, the Chicago-based research firm, the average fund specializing in large *growth stocks had a turnover rate* of 159 percent last year. In other words, the typical stock was bought, held for seven and a half months, then sold.

By buying and selling so quickly, managers are trying to time the market — or at least the stock itself. They are acting as if they know when it will go down, which no one can know.

It is not easy to find them, but some mutual-fund managers do have buy-and-hold philosophies. I asked Morningstar to do a computer run to discover the 15 funds with the lowest turnover over the past year and the 15 funds with the highest. The search was limited to general U.S. stock funds with at least $100 million in assets and a minimum three-year track record.

Turnover in the 15 buy-and-hold funds ranged last year from 2 percent (for Princor Growth) to 11 percent (Gabelli Small-Cap Growth). The latter figure indicates that Gabelli ended the year with 9 out of 10 stocks with which it started. Turnover in the 15 high-churn funds ranged from 268 percent (Dreyfus Growth Opportunity) to 525 percent (New USA Growth), meaning that managers were turning over their portfolios three, four, even five times.

Which extreme style did better? Low turnover, by far. The average annual return for the buy-and-hold funds for the three years ending Feb. 7, 1997, was *18.0 percent; for the 15 high-churn* funds, just 14.2 percent.

One standout was Mairs & Power Growth, a remarkable fund that puts 75 percent of its money in stocks from its home state of Minnesota. It has been run for the past 17 years by George A. Mairs 3d, 68, who keeps turnover in single digits, averaging just 4 percent since 1985. Returns have been spectacular: Mairs has beaten the S&P for the past seven years and has whipped the averages by two percentage points for the past 10. Investors in the fund have doubled their money in three years.

Another buy-and-hold success story is Franklin Growth I, managed since 1965 by Jerry Palmieri, who has a talent for producing returns that roughly match the S&P but at considerably lower risk. That means investors do not ride scary ups and downs. The fund's average annual turnover of 2.9 percent for the past three years was the lowest that the computer search found.

Tweedy, Browne American Value has averaged 6.5 percent turnover since it was started by a venerable Wall Street firm three years ago. The managers favor underpriced shares rather than hot growth stocks and have been investing in financial and foreign shares.

Meanwhile, the average mutual fund owns shares in 140 companies. Some own many more (Fidelity Emerging Growth, for example, has shares in 304). How can a fund manager possibly keep track of so many stocks?

Research shows that you need to own only 8 to 10 stocks (as long as they are in different sectors) to get enough diversification to bring your risk down to about the same level as the market as a whole. But most fund managers cannot resist owning a multitude of stocks; like high turnover, it makes them appear to be working hard for your money.

Still, there are anomalies. Clipper is probably the best of them. It holds just 18 stocks, and the top three — Federal Home Loan Mortgage Corp. and Federal National Mortgage Association (giant firms that finance mortgages) and Wal-Mart Stores — account for 29 percent of the assets. Clipper has returned 16.9 percent annually over the past five years.

Despite its name, Janus Twenty owns 30 stocks. It returned 27.9 percent last year, five points better than the S&P. More important, the fund, which owns large-cap stocks like PepsiCo and Boeing, has whipped the market averages over the past 10 years.

The foreign-stock fund with the most abbreviated portfolio is Harbor International Growth, which has 31 stocks and had a return last year of 32.0 percent. Top holdings are Ciba-Geigy, the Swiss pharmaceutical firm, and Granada Group, the British entertainment company.

The Washington Post.

In Saving for Old Age, Variety May Be Best Policy

Continued from Page 15

Under the umbrella of the Fleming Flagship Fund, there also are two global multi-asset class funds, the Deutsche Mark Balanced Fund and the International Equity Fund.

In order to boost portfolio growth, Ms. Moore recommended that about 7 percent be invested in emerging markets.

'If you are managing your own pension portfolio you must be prepared to monitor it.'

"Given the vast choice and importance of specialization within this category, a *multi-manager fund should* be the core holding," she said. "It may be supplemented by specialist funds as appropriate."

"We would recommend that an additional 15 percent of the portfolio be invested in trading funds," she added. "Trading strategies in foreign exchange, commodities, or securities may be noncorrelated or inversely correlated with the market, thus providing ballast when markets correct."

Ms. Moore said that the balance of the portfolio could then be invested in regional or country funds. She suggested that 18 percent be invested in the United States, *20 percent in the Pacific region* — with Japan representing about 9 percent — and 25 percent in Europe.

"General European managers may be supplemented by a U.K. specialist to reflect the depth and diversity of this market," she said.

AS MANY investors will not have adequate resources to invest in the full range of recommended funds, it would be sensible to start off with a core holding of around four funds, including a global asset multi-class fund, an emerging-markets fund and two regional funds," she added.

"Once the portfolio is established," she said, "they can then invest in additional funds."

Ms. Moore further advised that investors choose two or three fund groups, each with a diverse range of funds with strong track records over three, five and 10 years. She said this would limit switching costs.

"Most importantly, the funds selected should be ones whose base currency corresponds with the currency of ultimate liability," she said.

Every investment manager will have an ideal asset-allocation model.

Simon Davies, a financial consultant with Berry Asset Management in London, said that investors who are entirely dependent on their savings should play it safe and invest 20 percent of their portfolios in fixed-income securities such as floating-rate government bonds or offshore bond funds.

He advised that an additional 10 percent of the portfolio be invested in a general emerging-markets fund and the balance in the American and European equity markets.

He said, however, that he would not recommend investing in Japan for the time being.

Mr. Sharp of KMPG said: "If you are managing your own pension portfolio you must be prepared to monitor it. Ten years before retirement you will probably start moving your assets into cash, bond funds or a mixture of the two. The allocation will depend on whether you want an income stream, a cash sum or a bit of both at retirement."

HE ADDED, "If you move your assets gradually you will avoid any sudden, adverse market movements."

You may be persuaded to take out an annuity in order to provide a regular income in retirement.

One London-based pension consultant pointed out that while annuities give reasonably high income returns, the capital is not refunded. So if you die early, your heirs will lose out.

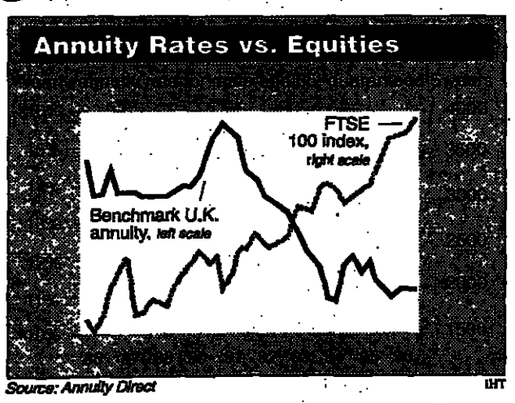
For information on offshore pension plans and other finanicial matters, call the insurance brokerage Shepherd and Co., on the island of Jersey, at 1534 38471.

Three providers of offshore plans in Britain are: General Accident, 44 01734 263 698; Sun Alliance, 44 01403 23423, and Friends Provident, 44 01722 413366.

For multi-asset class funds, call GAM Administration on the Isle of Man, 44 1624 632 787, or the Fleming Flagship Fund in Luxembourg, 352 3410 2227.

Protecting a Retirement Nest Egg From Inflation's Nibble

Continued from Page 15



Source: Annuity Direct IHT

ter off reinvesting a portion of their flat-rate annuity payments in stocks as a do-it-yourself hedge against future price increases rather than buying an indexed investment, Mr. Burrows said.

Some analysts consider that keeping all of your retirement fund invested in equities is the best possible hedge against inflation. Indeed, the problem with buying annuities to fund retirement is that they continue paying out in the same way, regardless of market conditions.

George Van, chairman of Van Hedge Fund Advisors in Nashville, Tennessee, said that a growing number of U.S. investors believed that stock-market investment was the best way to hedge their retirement income against inflation. Long-term American equities have returned in excess of 10 percent a year to investors, outpacing inflation and the returns available on bond-market vehicles.

"I think this underlines the reason why more and more people are getting into equities and mutual funds these days," he said. "Even if you simply benchmark the index, you are providing yourself with an adequate inflation hedge."

But how much control investors have over their retirement income depends on the type of plan in which they invest. Corporate programs in some countries are moving away from offering defined benefits — which aim to provide a predetermined pension for retired employees — to those with defined contributions. Not only is it administratively easier for employers to say how much they will pay into a retirement plan rather than how much will come out, but it makes it easier for employees to have a say over how their fund is invested.

In the United States, the 401(k) private pension has a self-invested version, as does the British personal private pension. Although this gives investors the chance to ensure that their retirement funds are protected against inflation, it does not solve the problem of maintaining purchasing power after retirement.

Moreover, local tax regulations often limit the pension investors' room for maneuver, even when they have control over their funds. Until recently, for example, British retirees were obliged to buy an annuity with their pension fund almost as soon as they stopped working. They could choose between different types of annuity and could also shop around to find a provider offering the best deal, but that was all.

But the British government has changed the rules to allow retirees to keep their funds invested and draw an income directly from them, said Tony Reardon, a pension specialist with Allied Dunbar Assurance PLC.

"There are still a number of restrictions concerning just how much income investors can take, but it is very flexible," he said.

The key restriction is that retirees must buy an annuity before they reach the age of 75. So far, the plans have proved most popular with people who retire early, Mr. Reardon said.

"If you're retiring at age 55, that gives you a full 20 years to keep drawing income directly from your fund," he said.

At the same time, provided that the bulk of the fund remains invested in equities, the income stands a good chance in the long-term of beating back any periods of inflation.

An added bonus is that the fund will form part of your estate. With few exceptions, money paid into annuities is lost once the recipient dies.

During the years it takes to build a substantial retirement fund, investors traditionally shift steadily along the risk/reward scale. Young investors with enough working years ahead of them to make good on investment losses usually take on more risk than those nearer retirement.

In later years, as their investments grow, they are encouraged to consolidate their gains by shifting their funds into plans that offer less risk of losing capital but also have reduced returns. As a result, many investors hold their funds in cash at the point when they retire.

"So it takes a leap of faith to get people to put their money back into equities," said Mr. Reardon.

Even so, he conceded that combating the inflation risk by maintaining your retirement fund in equities involved increasing risk in other areas.

"There are essentially two ways you can be hit," he said. "For a start, there is the risk that a dramatic fall in equity values will leave you with a smaller fund than the one you had at retirement. Such a crash could also have an adverse effect on annuity rates, making it more expensive to buy a regular income when the time comes."

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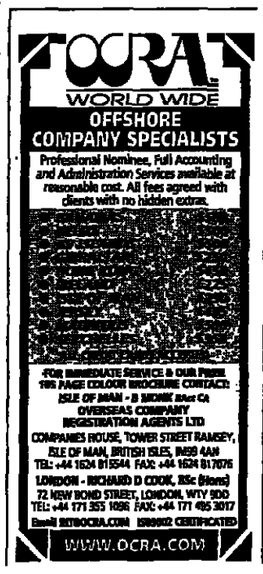

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* *Per MAR Magazine Dec. 1996 issue*

BRIEFCASE

Foreign & Colonial Sees A Bear in Thai Market

Thailand, the Asian Tiger economy that viciously turned on investors who had fed its stock market in the hope that it would maintain strong, export-led economic growth, remains a dangerous place to own shares, according to Foreign & Colonial Emerging Markets.

That will be disheartening news to those who have held on throughout the 44 percent drop in the SET index since the beginning of last year. That fall is worse than any suffered by a market of any consequence in the world.

"The Thai authorities are confronted by a major policy dilemma: whether or not to devalue the currency," the Foreign & Colonial fund-management company explains in a report to clients. "A devaluation would improve the country's export competitiveness, which in turn would benefit the current-account deficit."

"However," it continues, "any devaluation would immediately increase the liabilities of those companies and individuals who have borrowings denominated in U.S. dollars. Until this policy dilemma is resolved, there is likely to be a further erosion of confidence. For the moment, we remain bearish." *(IHT)*

Britain Extends Ban On Fidelity's Brokerage

Regulators have extended a ban on new business at the British brokerage arm of the Fidelity Investments fund-management company, the world's largest. The ban, imposed last fall after the brokerage failed to repair chronic computer problems, will run an extra three months, until April 30.

Phil West, marketing manager of Fidelity Brokerage Services, attributed the computer snafus, which came to light in May, to difficulties in implementing an enhanced administrative system.

"In the last three months, we have been liaising closely with the Securities and Futures Association, addressing operational difficulties that have been affecting our clients," Mr. West said.

Citing steps that have been taken, *including the acquisition of souped-up* equipment and recruitment of top technical advisers, he added, "We have made progress, however, we do recognize there is still more work to be done."

He said the brokerage had lost "a small percentage" of clients, about 300. He said he could not say when all the problems would be remedied, only that "there is no quick-fix; the problems have to be addressed in a logical way." *(IHT)*

Seeking Out Bond Deals In Europe? Look East

Prospective buyers of European bonds may be put off by the low interest rates on offer, especially from countries such as Spain and Italy, where yield spreads over bonds issued in the stronger-currency countries have shrunk dramatically in the last year. A suggestion by Creditanstalt, a large Austrian bank, is to look to the East.

"Investments in Eastern Europe continue to offer attractive premiums over the relatively low interest-rate level in Western countries," the bank's bond analysts said in a report to investors.

The most attractive market, they say, is the Czech Republic, where, since last month, a 25 percent withholding tax has been slapped on government securities. "Foreign investors, who continue to be exempt from this tax, might take advantage of the new situation," the report said.

Elsewhere, Hungary and Poland represent good medium- and long-term prospects, although there may be some short-term difficulties, owing to stubborn inflation. The bank is also sanguine about Russia, but suggests avoiding Slovakia.

Rates for two- or three-year bonds in Poland are 20.4 percent; in the Czech Republic, 9.3 percent; in Slovakia, 7.6 percent, and in Hungary, 18.1 percent. Rates for three-year government debt in major West European countries range from 3.7 percent in France to 6.5 percent in Italy.

The report also notes that the stronger Central European countries have begun to peg their currencies to baskets of Western currencies, ameliorating the exchange-rate risk inherent in emerging-market debt. *(IHT)*

As Gold's Glitter Fades, Even Central Banks Sell

Gold was such a poor investment during the past 17 years that even central banks — the world's biggest holders of the metal — are selling bullion.

Subdued inflation, soaring U.S. and European stock markets and a mounting preference for the safety of the dollar in times of crisis are luring investors away from gold.

Since January 1980, when gold peaked at $850 an ounce, prices are down about 60 percent, while the Standard & Poor's 500 Index climbed 605 percent. A $1,000 investment in gold in 1980 would now be worth about $400. The same investment in the S&P, with dividends reinvested, would be worth about $12,000.

Gold's returns are lagging other assets so much that central banks, which own 1.11 billion ounces, 29 percent of all the gold ever produced, are reducing their holdings of the metal in pursuit of more lucrative markets.

The specter of further central bank sales helped push gold to $343 an ounce on Thursday. The announcement last month by the Netherlands that it sold a fifth of its reserves in 1996 helped prices fall, as did Belgium's sale of a third of its reserves last year.

The economic outlook for this year and next does not bode well for gold, long considered a guard against the damage that accelerating inflation can do to interest-bearing assets such as bonds.

In December, the Organization for Economic Cooperation and Development predicted 2.5 percent economic growth and mild inflation in its member countries in 1997. *(Bloomberg)*

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Herald Tribune
SPORTS

WORLD ROUNDUP

Hartson Transfers

SOCCER The Welsh striker John Hartson left Arsenal on Friday to join a rival London club, West Ham, in a £5 million ($8.1 million) transfer deal. Hartson signed a five-year contract with the struggling Hammers just 10 days after the club landed Newcastle's Paul Kitson for £2.3 million. Both players will make their debuts for West Ham in Saturday's relegation game at Derby. *(AP)*

Aussies Are Taming Tiger

GOLF Stung by the enormous publicity surrounding Tiger Woods, the Australians Peter O'Malley and Lucas Parsons bolted to a seven-stroke lead over the American sensation midway through the Australian Masters in Melbourne on Friday.

O'Malley, who said the coverage being afforded Woods "fired everyone up," shot a 7-under-par 66, while Parsons had a 67, for 15-under totals of 131. Woods bogeyed the final two holes and finished with a 70. *(AP)*

Injury Sidelines Becker

TENNIS A recurring wrist injury forced Boris Becker to pull out of the $1 million Dubai Tennis Open on Friday, just minutes before a scheduled quarterfinal against Goran Ivanisevic. With the German's exit, top-seeded Ivanisevic moved unchallenged into the semifinals where he was joined by Jim Courier, who beat fourth-seeded Wayne Ferreira, 6-2, 7-5. *(Reuters)*

Greek Sprinter Shines

ATHLETICS A Greek sprinter, Charis Papadias, ran the 60-meter dash in 6.51 seconds on Friday to equal the world's best performance indoors this season. Papadias, competing at the Greek world indoor championship trials, matched the time set by Donovan Bailey of Canada last week in Japan. *(AFP)*

O'Neal to Miss 8 Weeks With Damaged Knee

Lakers' Playoff Hopes Hit a Snag

By Clifton Brown
New York Times Service

In a development that could take the Los Angeles Lakers out of the championship picture, Shaquille O'Neal will miss the next eight to 10 weeks because of ligament damage in his left knee.

The All-Star center has a fractured bone, a partial tear of the lateral collateral ligament and a torn capsule. The damage was revealed during an examination Thursday. Surgery will not be required, but O'Neal will wear a splint for two to three weeks before he can begin rehabilitation.

O'Neal was injured Wednesday night in a game against the Minnesota Timberwolves when he was knocked off balance by Dean Garrett and landed awkwardly after trying to catch an alley-oop pass. O'Neal went to the floor in pain, but he remained in the game and scored the next 10 points for the Lakers before leaving for good during a second-quarter timeout. It was O'Neal's first game back after missing two games, and then the All-Star Game, with a strained right knee.

The National Basketball Association playoffs begin April 27, 10 weeks from now. In the best-case scenario, O'Neal would return two weeks before the playoffs. In the worst-case scenario, he would be out of action until the playoffs began, or even longer, if his rehabilitation was slower than predicted.

Without O'Neal, the Lakers will be hard-pressed to keep the No.1 seeding in the Western Conference. After a 132-117 victory Thursday night over the Denver Nuggets, the Lakers have the best record in the West (37-13), three games in front of Seattle in the Pacific Division.

But Utah, Houston and Seattle all are within striking distance of the Lakers. It is conceivable that the Lakers could drop from No. 1 to No. 4 in the West before O'Neal returns, costing Los Angeles home-court advantage in the later rounds of the playoffs.

O'Neal was having his most consistent season, averaging 25.8 points, 12.8 rebounds and 3 blocks a game, after leaving the Orlando Magic last summer and signing a seven-year, $120 million contract with the Lakers. The NBA's trade deadline is on Thursday, so it is unlikely that Jerry West, the Lakers' general manager, will be able to make a deal to ease the loss of O'Neal.

Coach Del Harris will probably move Elden Campbell from power forward to center. Travis Knight, a 6-foot-10-inch rookie, could move into the starting lineup at power forward. But the Lakers will miss O'Neal's low-post scoring, his physical play and his intimidation of opponents near the basket. More pressure will fall on all of the Lakers, including the talented backcourt tandem of Eddie Jones and Nick Van Exel, which will be counted on to pick up its scoring.

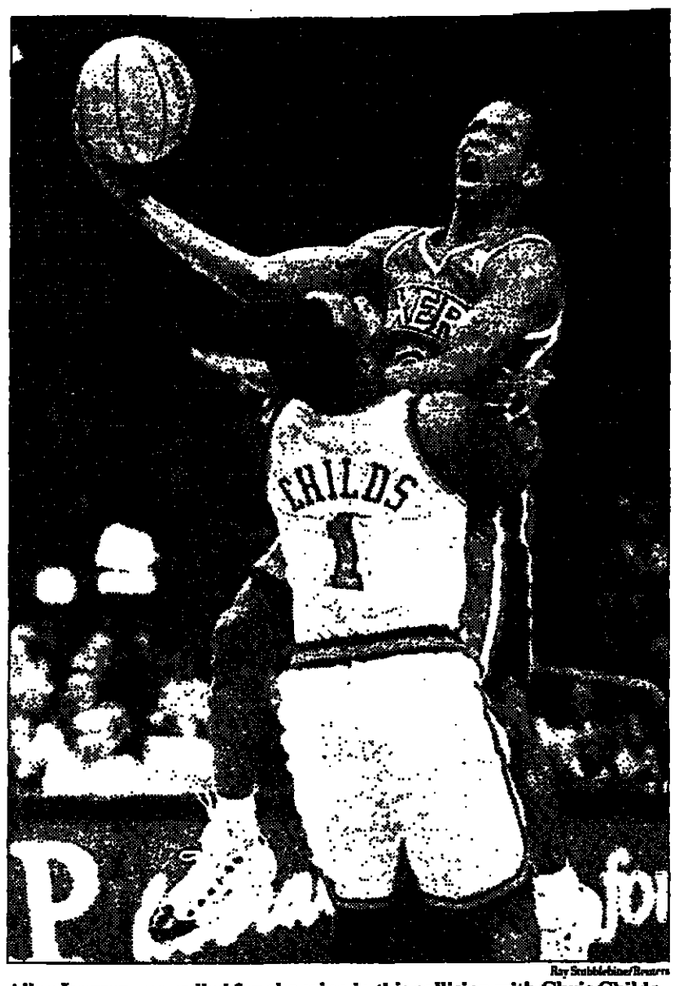
Meanwhile, bench players like the talented rookie Kobe Bryant, Jerome Kersey, Sean Rooks and Joe Kleine all could see more action.

Campbell played well at center when O'Neal was out last week, scoring a career-high 34 points and grabbing 14 rebounds in an impressive victory over the Chicago Bulls. But playing a week without O'Neal is one thing. Playing two months without him is another.

Meanwhile, the Lakers' second-half schedule is not easy. They have a five-game trip later this month to Houston, Washington, Atlanta, Indiana and Dallas. And they still have Eastern stops to make in Cleveland, Miami, Orlando and New Jersey.

O'Neal's injury also spoils one of the most anticipated dates on the regular-season schedule, March 23, when the Lakers visit Orlando.

Many Magic fans were irate when O'Neal spurned a lucrative offer from the Magic and bolted to the West Coast, and they have been eagerly waiting for his return. But with O'Neal out of the lineup, Magic fans will have to save their booing for next season.



Ray Stubblebine/Reuters

Allen Iverson was called for charging in this collision with Chris Childs.

Knicks Throttle 76ers

Childs Wins Battle With Iverson

By Mike Wise
New York Times Service

NEW YORK — Chris Childs decided he would not chase Allen Iverson like a skittering leaf along a sidewalk. He would not lunge. He would cut off his angles and simply wait for him to make a move.

By the time the New York Knicks had emerged with a 107-92 victory over the Philadelphia 76ers Thursday night at Madison Square Garden, the 76ers' rookie point guard had nowhere to go.

Childs not only controlled the tempo of the game, he controlled Iverson for the first time this season, limiting him to 4-of-19 shooting from the field. In three previous games against the Knicks, Iverson had averaged 27.7 points.

The matchup, won clearly by Childs, was symbolic for two teams headed in opposite directions. "I tried not to take as many chances and tried to keep him in front of me," said Childs, who finished with 13 points and nine assists. "I did what I could to steer him left."

All five of the Knicks' starters, the same guys who were benched in the first quarter of Tuesday's victory over Washington, scored in double figures. Allan Houston led everyone with 28 points, Charles Oakley scored all 21 of his points in the second half and contributed 11 rebounds, Larry Johnson added 18, and Patrick Ewing had 17.

Iverson finished with 13 points. Childs had fouled out the past two games against the 76ers while trying to stop him. In a game on Nov. 12 against the Knicks, Iverson fouled out Scott Brooks and Charlie Ward en route to 35 points.

Add rejection to insult: With seven minutes left in the game, Iverson had a clear shot at an 18-footer along the right baseline. Rather than take the shot, he took one dribble and gave Ewing all the time in the world to rise for the block.

In other games, The Associated Press reported:

Lakers 132, Nuggets 117 With Shaquille O'Neal out again with a knee injury, the Los Angeles Lakers turned to the long-range shooting of Nick Van Exel to defeat the Nuggets in Denver.

Van Exel equaled his club record by hitting eight 3-pointers, including five in the third quarter, and finished with 30 points. Bryant Stith scored 26 points for Denver.

Jazz 110, Trail Blazers 86 Karl Malone scored 24 points and Utah outscored visiting Portland, 25-1, in the first 7:10 of the second half.

John Stockton added 17 points and Jeff Hornacek had 16 — 10 coming in the third-quarter run — as Utah won for the ninth time in its last 10 games. Kenny Anderson led Portland with 15 points.

Warriors 107, Mavericks 99 In Dallas, Latrell Sprewell scored 28 points and Joe Smith added 20 points and 12 rebounds as Golden State snapped a four-game losing streak.

Bimbo Coles connected on a 3-pointer with 8:52 to play to break an 87-87 tie and the Warriors went on to a 7-0 run for a 94-87 lead.

Heat 106, Pacers 90 Tim Hardaway had eight points and five assists in a 21-2 Miami run that propelled the host Heat to its eighth consecutive victory.

Hardaway finished with 18 points and 14 assists in 33 minutes as Miami won its seventh straight home game.

Kings 105, Clippers 98 Mitch Richmond scored 14 of his 41 points in the fourth quarter and made a key defensive play to lead host Sacramento to victory, snapping a three-game losing streak.

Malik Sealy topped the Clippers with 20 points.

NBA ROUNDUP

Just a Game: The Motto For Baseball

Who Needs Shoe Ads Rather Than Respect And a Work Ethic?

By Harvey Araton
New York Times Service

TAMPA, Florida — One day before the official reporting date for pitchers and catchers, more than a week before the mandated arrival of everyone else, David Cone wandered out of the clubhouse at the New York Yankees' complex here and bumped into Derek Jeter, who was strolling in from one of the practice fields.

"This guy must live here," Cone said, grabbing the young shortstop's hand.

"Ayy," Jeter said, "this year is no different from the last three years."

"I've been in and out of here all winter," Cone would say later. "Derek's been here, working out, every time I've been around. That's amazing dedication for a young player, don't you think?"

Jeter, the 22-year-old teen idol and New York City bachelor, said he basked in the championship glow for most of November before heading south, like a migratory bird.

"Dec. 1," he said. "It was time to forget everything that happened. Don't get me wrong — it was unbelievable winning the World Series and being treated the way we were around New York. But it wasn't like I wanted to sit there and say, 'I played well last year, and next season will just take care of itself.'"

Jeter made $130,000 during his rookie-of-the-year season, when he batted .314, drove in 78 runs and sprayed rally-inducing hits around postseason fields as if his bat were equipped with a homing device. Naturally, his financial future brightened, with a card-show fee rumored to be as high as $40,000 a pop. And other corporate executives began browsing their Rolodexes for the number of Jeter's agent in Cleveland, Casey Close of the International Management Group.

The agent reported Thursday that Jeter has signed to pitch various gizmos for an electronics store, will star in a major print campaign for a soft drink company, struck a deal with a bank to help promote his new foundation and will shortly add the celebrity athlete's prerequisite for merely getting onto the marketing map: shoe and apparel affiliation.

On the other hand, don't look for him to be plastered across television screens every other inning this coming season any more than Bernie Williams, the Yankees' No. 1 headliner.

"Baseball players are a tougher sell," said Close, citing two common refrains: labor woes and the fact that the almighty shoe companies can't mass-market spikes.

For years, people have accepted the well-substantiated claims that baseball was losing these celebrity consumer wars, mainly to basketball and football, thereby reducing the significance of its players — and by extension the game — in American culture. Tennis players have been bigger merchandising commodities than baseball players. As have golfers and auto racers, and the figure skater Nancy Kerrigan for about 15 minutes.

Perceptions do change, though, and given the historically cyclical nature of spectator sports, it may very well be that the baseball player's obvious selling flaws are slowly and subtly becoming a strength that could help retrench the game overall.

For while David Stern and Phil Knight have turned pro basketball stars into global icons, the backlash seems to be arriving, if last weekend's Allen Iverson/Generation X All-Star Bashing in Casey Close's hometown was any indication. Even the National Basketball Association's honored elders were saying they couldn't take much more of these underage, undercredentialed underachievers who don't respect the process.

When Jeter, by comparison, was asked whether he felt different this spring now that he is an established player, he put up his hand and stopped the questioner right there. He said he and his good friend, Seattle's Alex Rodriguez, have discussed this very subject.

"Established?" he said. "You can't be established after one year. How many? I'm not saying five or six. But you have to be there a while, be consistent. You have to earn respect."

Baseball does have remaining problems, but it also has a treasured asset in its natural pecking order, based mostly in its minor-league spawning grounds.

As it begins what it hopes will be a resurgent season, with tributes to Jackie Robinson and interleague play and, finally, labor peace, it should consider its own new marketing pitch.

Baseball: just a fun game, not a fashion show.

The concept could be catching.

■ Belle Probation Likely

Albert Belle probably will get at most one year's probation if major league officials determine he bet only on sports other than baseball, The Associated Press reported from Cleveland.

Baseball's security chief, Kevin Hallinan, is investigating Belle's testimony that he gambled on pro football, college basketball and golf games with friends, a high-ranking baseball official said on the condition he not be identified.

Lots of Surprises in Snowed-In Sestriere

By Christopher Clarey
Special to the Herald Tribune

SESTRIERE, Italy — The biggest surprise during the first 10 days of the World Alpine Ski Championships might not have been Pernilla Wiberg's failure to win a medal or Bruno Kernen's stirring victory in the men's downhill.

The biggest surprise might have been the weather: clear skies, springtime temperatures and only an occasional gust. But Sestriere has reverted to form in the last 72 hours. There have been high winds, fog and relatively heavy snowfall, which is no problem for Iditarod racers but a big problem for world-class ski racers.

On Friday, for the second straight day, the downhill portion of the women's combined event had to be postponed. The result is a logjam. On Saturday, which is scheduled to be the final day of these championships, there are now three events on the docket: the women's downhill at 10:30 A.M. local time; the women's combined downhill at 1 P.M. and the men's slalom featuring Alberto Tomba and his Austrian rivals under the floodlights in the evening.

And that is only the best-case scenario. If the weather does not improve, Sestriere will have to run races on Sunday and confront the myriad logistical nightmares that would accompany the extension of an event that already drags on too long for the spectacle it provides. In the first 12 days of the championships, only seven events were completed, which made for almost as much prologue as plot.

The organizers knew they were taking a risk by scheduling the women's downhill on the last day of the championships. They did it because the women's and men's downhills require different course preparation, making it undesirable to conduct training runs during the same period. The organizers also did it because television audiences are bigger on Saturdays than weekdays.

"What we really need are two separate courses for the men and women," said the American downhill coach, Jim Tracy. "I haven't liked this schedule from the beginning."

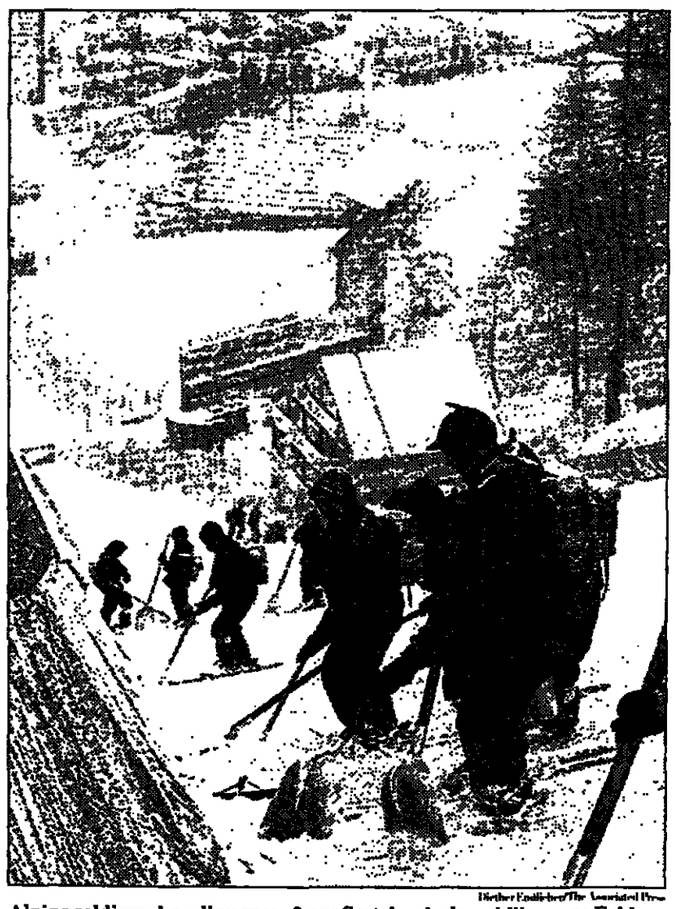
Sunday's schedule will be particularly taxing for Katja Seizinger and Hilde Gerg of Germany and Renate Goetschl of Austria. All three are in good position for medals in the combined. Now, they will have to run two downhills in a three-hour period.

Wiberg will only have to run one. The compact Swede, who leads the overall World Cup standings by a large margin, has proved herself to be a big-event skier throughout her career. But in Sestriere, she appears to be paying the price for her past successes. In four events here, her best result is a sixth-place finish in the giant slalom.

In the regular slalom, she hooked a ski tip on a gate in the second run and was eliminated. On Thursday, in the less-taxing combined slalom, she did the same thing during her first run. Some have blamed her struggles on pressure; some on fatigue. Wiberg is uncertain, and as she started answering questions in the finish area after her latest gaffe, she began giggling.

"I have so many other things to be happy for that I can't do anything but laugh," she said. "I have made so many mistakes, and I just can't believe that I could make them in four races in a row. Now, all I'm focusing on is the overall World Cup title."

Wiberg, of course, still has a remote chance for a medal in the downhill.



Diether Endlicher/The Associated Press

Alpine soldiers shoveling snow from Sestriere's downhill course Friday.

BUT NO MATTER who wins the main women's event — and that includes Isolde Kostner of Italy — Saturday's focus will be on the slalom, where Tomba will attempt to make his nation forget about his abysmal performance in Wednesday's giant slalom.

Tomba nearly fell three times at the top of the course and then skied out one minute into his first run, looking very much like an athlete on the slippery slope toward mortality. Afterward, he blamed his skis, his cold, his start number and, above all, the course setter, Max Valquist of Norway. "He must have been drinking when he set this course," Tomba said.

Now, "La Bomba" has a second chance, and there is no question that his medal chances are better. While Tomba had competed in only one giant slalom this season before Sestriere, he has made time in his busy social schedule for four slaloms, finishing second, eighth, second and, shortly before these championships, first in Schladming, Austria.

"What I fear most is not the other racers but the course setters," Tomba cracked on Friday night after completing his training on the slalom hill.

The other racers include Thomas Sykora, Thomas Stangassinger and Mario Reiter of Austria; Tom Stiansen and Kjetil-Andre Aamodt of Norway and Sebastien Amiez of France. The tall and powerful Sykora has had the best season, winning five of the eight slaloms contested. Although he has been slowed by a knee injury, he looked healthy and relaxed on Friday as he cagily gave Tomba compliment after compliment.

"It's always nice to have Tomba at the start of a race," he said. "He's a showman. He brings a lot of interest, and it's always a big party when he races. His chances are good. He knows this course perfectly."

It was at a slalom in Sestriere in November 1987 that Tomba broke through for his first World Cup victory with start number 23. Two days later, he beat his and so many other skiers' idol, Ingemar Stenmark of Sweden, in the giant slalom.

It was also in Sestriere that Tomba won the first night slalom in World Cup history in December 1994.

But he is well-aware that he has not won here since, and as he considers whether he should continue his career beyond this season, the result of this race surely will weigh heavily in the debate.

Jets Break Bank for Coach

New York Times Service

NEW YORK — What price success? When it comes to Bill Parcells, the New York Jets seem to have no limit.

In addition to giving the New England Patriots four top draft choices over the next three years, the club will pay Parcells $14.4 million as head coach and chief of football operations.

That would make him the highest-paid coach in the National Football League.

The six-year package, which includes an annual incentive of $500,000 if the Jets reach the Super Bowl, could grow if he coaches a fifth year.

The $2.4 million a year deal is more than Jimmy Johnson's with the Miami Dolphins. Johnson, who is head of Miami's football operations, has a four-year, $8 million contract.

Meanwhile, Parcells on Thursday added another New York Giant connection to the team. Carl Banks, who played seven of his 12 seasons under Parcells with the Giants, was named director of player development.

Banks, a former No. 1 draft choice out of Michigan State, played for the Giants from 1984 to 1992. He played one season for the Washington Redskins and two years for the Cleveland Browns.

Parcells said that Ron Erhardt, the offensive coordinator and quarterbacks coach during the Rich Kotite era, would be the quarterbacks and special assistant coach.

Parcells said he would probably complete his staff next week when he names a strength and conditioning coach and an offensive coordinator.

Earlier, Parcells named Bill Belichick assistant head coach and secondary coach, Al Groh linebackers coach, Romeo Crennel defensive line, Eric Mangini defensive assistant and Mike Sweatman special teams. Pat Hodgson, who coached the Jets' tight ends last season, was retained. Bill Muir, the Jets' offensive line coach last season, will remain in that capacity.

The Jets announced several player moves. They terminated the contract of defensive tackle Marc Spindler, a two-year veteran. They did not tender qualifying offers to defensive back Eric Zomalt, linebacker Aubrey Beavers and defensive tackle Lou Benfatti.

The club did not tender exclusive rights to linebacker Eddie Mason and wide receiver-kick returner Henry Bailey.

They did tender exclusive rights to defensive end Bobby Hamilton, who started 11 games last season and linebacker Chad Cascadden, who started eight games.

They also tendered qualifying offers to fullback Lou D'Agostino, quarterback John Paci, kicker Don Silvestri, cornerback-safety Lance Brown and tight end Tyrone Davis.

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SPORTS

Olympiakos Wins on Foul Shots

By Ian Thomsen
International Herald Tribune

The top basketball clubs in Greece are the richest in the world — outside of Michael Jordan's league, obviously. They are also hosts to some of the world's wildest games, as Milan learned Thursday night in Athens.

Stefanel Milan, one of the best teams in the EuroLeague, was ahead by 1 point with the ball when its forward, Alessandro de Pol, was whistled for a foul with 10 seconds left. The referees awarded Franko Nakic of the home team, Olympiakos, two game-winning free throws.

Apparently the call was slightly questionable. The Milan bench offered its opinion and was struck with a technical foul resulting in two more free throws for Olympiakos (9-6), and an 87-84 victory that advanced the Greek contenders to the playoffs.

The loss did not hurt the long-term prospects for Milan (11-4), which is assured of the homecourt advantage in the first two rounds of the 16-team playoffs. Teamsystem Bologna (11-4)

EUROPEAN BASKETBALL

and Efes Pilsen of Istanbul (11-4) have also clinched the top position in their league groups and, with it, homecourt advantage in each best-of-three-games series leading up to the European Final Four in Rome on April 22 and 24.

With one game left in the EuroLeague regular season, the best record belongs to the defending champion, Panathinaikos (12-3) of Athens. But Panathinaikos won't be assured of winning its group unless it can hold off visiting Pau-Orthez (6-9) of France next week, itself desperate for a victory in the hope of reaching the playoffs.

If Panathinaikos stumbles at home, an unlikely event, then it could be replaced at the top of the group, based on a complicated tiebreaker system, by tiny ASVEL Villeurbanne (11-4) of France, which won at Dynamo Moscow in overtime this week.

Alba Berlin (9-6) qualified Thursday for the playoffs with a 78-76 comeback victory over visiting CSKA Moscow.

CSKA (7-8) still has hope after its rival for the last playoff spot in its group, Maccabi-Tel Aviv (8-7), lost Thursday night, 90-82 at Charleroi. Maccabi must win at home next week against Olympiakos. If it loses that game, and CSKA goes onto win against visiting Charleroi, then CSKA will seize Maccabi's place in the playoffs.

French Rugby Team Confident for Wales Match

Reuters

PARIS — France's rugby team is confident it can shrug off the massive disruption to its Five Nations preparations and prolong Wales's dismal record at Parc des Princes when the two countries play Saturday.

Despite losing five key players to injuries and a sixth to suspension since the team's 32-15 victory over Ireland on Jan. 18 in Dublin, the French coach, Jean-Claude Skrela, is upbeat.

"Given the circumstances, we've put together the best possible team and it has been a pleasure to watch the players train," he said. "They want to win badly, you can see that."

Emile Ntamack, Thomas Castaignede, Alain Penaud, Fabien Galthie and Philippe Benetton have all withdrawn with various injuries, and Franck Tournaire has been banned from the match for violent conduct in Dublin.

But the French flanker and captain Abdel Benazzi said he was unconcerned.

"All those injuries have brought us even more closely together," he said at France's training camp in a forest near Paris. "The guys will give their all, there's no doubt."

France has impressive strength in depth, with the likes of winger Laurent Leflamand, scrum-half Philippe Carbonneau and flanker Richard Castel eager to prove they are more than mere substitutes.

The powerful center Richard Dourthe, whose goalkicking duel with Neil Jenkins could be key, said he feared the Welsh more than the English.

"Wales is a fine combination of power and talent," he said.

"They are an exciting team with strong forwards and gifted backs," he added, "a bit like us, actually."

Wales has not won in Paris since 1975, but the team scored three tries against France in a 40-33 friendly match in Cardiff in September.

"I think we've got a great chance," said lock Gareth Llewellyn. "Several of their key players are injured, and it doesn't matter how good a side you are, that is bound to have an effect."

Devils Extend Unbeaten Run By Stopping Whalers, 4-0

The Associated Press

Brian Rolston scored twice and Martin Brodeur had 20 saves as the New Jersey Devils stretched their unbeaten streak to nine with a 4-0 victory over the Hartford Whalers.

The shutout Thursday night was Brodeur's fifth of the season and 17th of his career. It stretched his own unbeaten

NHL ROUNDUP

streak to 10 games (7-0-3) and tied him with Chris Terreri for most career wins by a Devils goalie, 106.

Bobby Holik and Steve Sullivan also scored as host New Jersey handed the Whalers their third loss in a row.

Flyers 4, Senators 2 John LeClair set up a pair of third-period goals as host Philadelphia defeated Ottawa.

LeClair helped to snap a 2-2 tie when he set up a goal by Mikael Renberg at 7:10 of the third. About two minutes later, LeClair fed Joel Otto in the slot for an insurance goal.

Blackhawks 7, Sharks 3 In Chicago, former Sharks Chris Terreri, Michal Sykora and Ulf Dahlen had strong games against their former team and Gary Suter scored twice as the Blackhawks defeated San Jose.

Sykora, Dahlen, Jeff Shantz, Eric Daze and Sergei Krivokrasov had goals in the Blackhawks' highest-scoring game this season. They entered the night with only 143 goals, tied with San Jose for second-fewest in the NHL.

Terreri made 22 saves, and Sykora and Dahlen added an assist each in their first home game since the Blackhawks acquired them from San Jose in a trade.

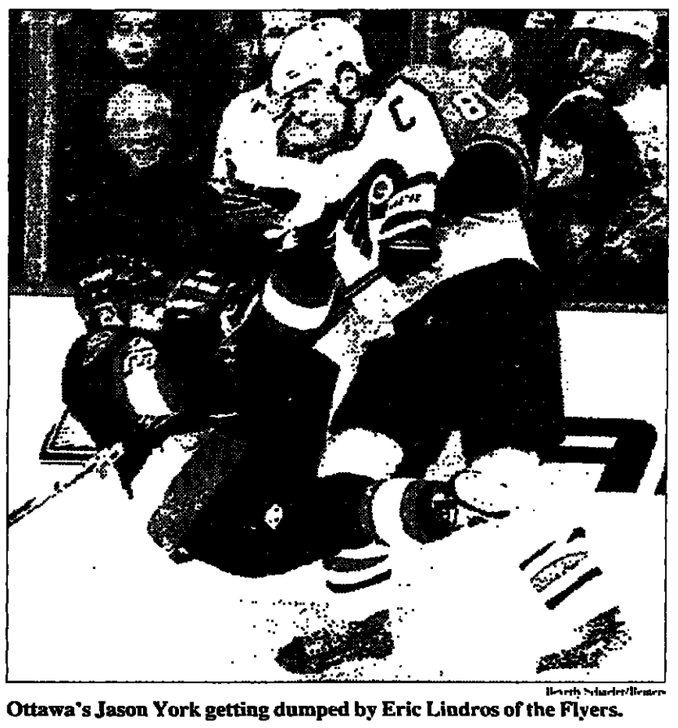
Blues 4, Rangers 1 The host Blues made Wayne Gretzky's first trip back to St. Louis a bad experience, extending his slump without a goal to 18 games in a victory over the Rangers.

Brett Hull got his 33d goal for the Blues, who are 9-5-2 under their new coach, Joel Quenneville. Scott Pellerin scored the third shorthanded goal allowed in two games by the Rangers and Craig Conroy pitched in with two assists.

Avalanche 3, Coyotes 2 Sandis Ozolinsh, the NHL's goal leader among defensemen, scored twice in the second period to give visiting Colorado a victory over Phoenix. Valeri Kamensky had the other Colorado goal.

Flames 3, Oilers 2 Robert Reichel's power-play goal at 2:20 of overtime gave host Calgary an overtime victory over Edmonton, the Flames' fourth straight triumph.

Maple Leafs 4, Kings 4 Sean O'Donnell had a goal and two assists as Los Angeles rallied to tie visiting Toronto. The Kings took a season-high 55 shots.



Bob Strasser/Reuters

Ottawa's Jason York getting dumped by Eric Lindros of the Flyers.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	38	12	.760	—
New York	36	14	.720	2
Orlando	24	22	.522	12
Washington	22	26	.458	15
New Jersey	14	34	.292	23
Philadelphia	12	36	.250	25
Boston	11	37	.229	26

CENTRAL DIVISION

Chicago	43	6	.878	—
Detroit	35	13	.729	7½
Atlanta	32	15	.681	10
Charlotte	30	20	.600	13½
Cleveland	27	22	.551	16
Indiana	23	25	.479	19½
Milwaukee	22	26	.458	20½
Toronto	17	31	.354	25½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	35	14	.714	—
Houston	33	16	.673	2
Minnesota	23	26	.469	12
Dallas	16	30	.348	17½
Denver	16	34	.320	19½
San Antonio	12	35	.255	22
Vancouver	10	43	.189	27

PACIFIC DIVISION

L.A. Lakers	37	13	.740	—
Seattle	33	15	.688	3
Portland	26	24	.520	11
L.A. Clippers	20	26	.435	15
Sacramento	22	29	.431	15½
Golden State	18	29	.383	17½
Phoenix	16	32	.360	19

THURSDAY'S RESULTS

Indiana	24	18	33	22— 98
Miami	23	34	30	19—106

I: Miller 4-13 5-5 14, A.Davis 6-9 2-4 14; M: Mourning 9-10 11-16 29, Lenard 8-16 0-0 20. Rebounds—Indiana 57 (Smits 11), Miami 43 (Mourning 13). Assists—Indiana 22 (Rose 6), Miami 26 (Hardaway 14).

Philadelphia	21	20	26	25— 92
New York	15	29	35	28—107

P: Stackhouse 3-11 14-15 20, MacLean 8-13 0-3 17; N.Y: Houston 12-18 1-1 28, Oakley 8-9 4-4 21. Rebounds—Philadelphia 55 (Weatherspoon, Cage, M.Davis 7), New York 57 (Oakley 11). Assists—Philadelphia 21 (Iverson 8), New York 27 (Childs 9).

Golden State	24	31	24	28—107
Dallas	38	23	24	22— 99

G.S.: Sprewell 9-18 9-13 28, Smith 10-19 0-0 20; D: Gatling 7-14 5-8 19, Cassell 7-16 2-2 18. Rebounds—Golden State 54 (Smith 12), Dallas 49 (Gatling 13). Assists—Golden State 23 (Sprewell, Coles 6), Dallas 24 (McCloud 9).

L.A. Lakers	35	36	39	22—132
Denver	29	26	26	36—117

L.A.: Van Exel 10-17 2-2 30, Jones 6-11 8-8 22; D: McDyess 8-17 7-8 23, B.Thompson 8-13 0-0 21. Rebounds—L.A. Lakers 53 (Kersey, Rooks 6), Denver 58 (Hammonds 12). Assists—L.A. Lakers 27 (Van Exel 9), Denver 22 (Jackson 6).

Portland	18	26	13	29— 86
Utah	29	24	38	19—110

P: K.Anderson 6-12 3-5 15, Wallace 3-11 6-8 12, Augmon 4-6 4-5 12; U: Malone 9-15 6-7 24, Stockton 7-8 0-1 17. Rebounds—Portland 48 (Trent, Wallace, Ortiez 8), Utah 59 (Malone 11). Assists—Portland 13 (Reinhard 5), Utah 29 (Stockton 13).

L.A. Clippers	24	28	25	21— 98
Sacramento	26	29	25	25—105

L.A.: Scaly 8-17 1-1 20, Vaught 6-11 5-6 17; S:Richmond 12-22 10-12 41, Polynice 7-17 3-4 17. Rebounds—L.A. Clippers 52 (Vaught, Outlaw 8), Sacramento 64 (Polynice 15). Assists—L.A. Clippers 20 (Dehere 6), Sacramento 21 (Richmond 7).

EuroLeague

GROUP E

Olympiakos, Gre., 87 Stefanel Milan, It., 84

Alba Berlin, Germ., 78 CSKA Moscow, Russ., 76

Charleroi, Belg., 90 Maccabi Tel Aviv, Is., 82

Standings: Stefanel Milan, 26 points, Olympiakos 24, Alba Berlin, 24, Maccabi Tel Aviv, 23, CSKA Moscow, 22, Charleroi, 16.

GROUP F

Ulker Spor, Turk., 78 Estudiantes Madrid, Sp., 74

Panionios, Gre., 84 Cibona Zagreb, Cro., 76

Limoges, Fra., 81 Teamsystem Bologna, It., 70

Standings: Teamsystem Bologna, 26, Cibona Zagreb, 24, Estudiantes Madrid, 22, Limoges, 23, Ulker Spor, 20, Panionios, 19.

GROUP G

Villeurbanne, Fra., 90 Dynamo Moscow, Russ., 86 OT

Standings: Panathinaikos, Greece, 27, Villeurbanne, 26, Ljubljana, Slovenia, 24, Sevilla, Spain, 22, Pau-Orthez, France, 21, Dynamo Moscow, 18.

GROUP H

Bayer Leverkusen, Germ., 85 Kinder Bologna, It., 79

Standings: Efes Pilsen, Turkey, 26, Barcelona, Spain, 23, Partizan Belgrade, Yugoslavia, 23, Split, Croatia, 22, Kinder Bologna, 21, Bayer Leverkusen, 17.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	31	16	8	70	177	138
Florida	28	15	13	69	161	138
New Jersey	28	17	9	65	146	130
N.Y. Rangers	28	23	7	63	198	162
Washington	22	27	6	50	144	152
N.Y. Islanders	18	28	10	46	154	167
Tampa Bay	19	28	6	44	142	168

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	29	19	9	67	159	141
Pittsburgh	30	20	5	65	206	173
Montreal	21	27	11	53	185	210
Hartford	21	27	7	49	157	181
Ottawa	18	25	12	48	152	165
Boston	20	29	7	47	160	196

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	32	21	4	68	172	143
Detroit	26	18	10	62	170	129
St. Louis	27	25	6	60	176	178
Phoenix	25	28	4	54	158	175
Chicago	22	27	8	52	150	151
Toronto	21	34	2	44	164	201

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	34	14	8	76	190	131
Edmonton	28	24	5	61	180	162
Vancouver	25	28	2	52	176	189
Calgary	23	28	6	52	152	165
Anaheim	22	28	6	50	159	172
San Jose	20	30	6	46	146	185
Los Angeles	19	31	7	45	152	195

WEDNESDAY'S RESULTS

Ottawa	0	1	1—2
Philadelphia	1	1	2—4

First Period: P-Lindros 18 (Renberg, Brind'Amour) Second Period: O-Chorske 8 (Bonk, Daigle) 3. P-Kordic 1 (Coffey) Third Period: O-McEachern 5 (Dackell, Yashin) 5, P-Renberg 12 (LeClair, Svoboda) 6, P-, Otto 10 (LeClair, Klatt) Shots on goal: O- 4-8-8—20. P- 13-4-11—28. Goalies: O-Tugnutt. P-Snow.

Hartford	0	0	0	0—0
New Jersey	2	2	0	1—4

First Period: N.J.-Holik 13 (Sullivan, Andreychuk) 2. N.J.-Rolston 16 (Pederson, Smith) Second Period: N.J.-Sullivan 7 (Andreychuk, Odelein) 4, N.J.-Rolston 17 (Pederson) Third Period: None. Shots on goal: H-5-6-9—20. N.J.-8-10-7—25. Goalies: H-Muzzatti. N.J.-Brodeur.

San Jose	0	2	1	1—3
Chicago	2	3	2	1—7

First Period: C-Shantz 5 (Suter) 2. C-, Daze 12 (Sykora, Suter) (pp). Second Period: C-Sykora 3 (Shantz, Daze) 4, San Jose, Hawgood 4 (Guolla, Nolan) 5, C-Krivokrasov 8 (Savard, Black) 6, S.J.-Nichols 12 (Hawgood, Kozlov) (pp). 7, C-Suter 5 (Dahlen, Amonte) Third Period: C-Dahlen 12 (Chelios, Zhamnov) (pp). 9, S.J.-Errey 2 (Donovan) 10, C-Suter 6 (Suter, Krivokrasov) Shots on goal: S.J.- 9-9-7—25. C- 10-11-9—30. Goalies: S.J.-Hrudey. C-Terreri.

N.Y. Rangers	0	1	0	0—1
St. Louis	0	3	1	1—5

First Period: None. Second Period: S.L.-Pellerin 6 (Conroy) (sh). 2, S.L.-Hull 33 (Turgeon, Pronger) (pp). 3, New York, Leetch 17 (Karpovtsev, Gretzky) (pp). 4, S.L.-Campbell 19 (Twist, Conroy) Third Period: S.L.-Turgeon 16 (Courtnall, Bergevin) (en). Shots on goal: N.Y.- 10-12-11—33. S.L.- 5-11-6—22. Goalies: N.Y.-Richter. S.L.-Fuhr.

Colorado	1	2	0	3—3
Phoenix	1	0	1	1—2

First Period: C-Kamensky 19 (Young) (pp). 2, Phoenix, Tkachuk 35 (Janney, Numminen) (pp). Second Period: C-Ozolinsh 17, 4, C-, Ozolinsh 18 (Kamensky, Forsberg) Third Period: Phoenix, Tkachuk 36 (Roenick) Shots on goal: C- 8-9-12—29. Phoenix 8-10-11—29. Goalies: C-Roy. Phoenix, Khabibulin.

Edmonton	1	0	1	0—2
Calgary	1	0	1	1—3

First Period: E-Smyth 27 (Satan, McGillis) (pp). 2, C-Gagner 19 (Sullivan, Ward) Second Period: None. Third Period: E-Satan 17 (Weight, Richardson) 4, C-Gavey 6 (Fleury, Racine) Overtime: 5, C-Reichel 12 (Albelin, Tkov) (pp). Shots on goal: E- 13-5-7-0—25. C- 10-12-12-2—36. Goalies: E-Essensa. C-Kidd.

Toronto	1	1	2	0—4
Los Angeles	0	2	2	0—4

First Period: T-Clark 17 (Sundin, Gilmour) Second Period: T-Berezin 16 (Wolanin) 3, Los Angeles, Yachmenev 5 (Ferraro, R.Vopat) 4, L.A.-, O'Donnell 2 (Blake, Laperriere) Third Period: L.A.-Olczyk 16 (Shevalier, O'Donnell) (pp). 6, T-Gilmour 13 (Clark) 7, T-Elliott 4 (Gilmour, Sundin) 8, L.A.-J.Vopat 2 (O'Donnell) Overtime: None. Shots on goal: T- 11-11-6-2—30. L.A.- 15-21-17-2—55. Goalies: T-Potvin. L.A.-Dafoe.

CRICKET

ENGLAND TOUR

3D AND FINAL TEST, 1ST DAY
NEW ZEALAND VS. ENGLAND
FRIDAY, IN CHRISTCHURCH
New Zealand first innings: 229 for 5

LIMITED OVERS TRIANGULAR SERIES
FINAL
SOUTH AFRICA V.S. INDIA
THURSDAY, IN DURBAN, SOUTH AFRICA
South Africa: 278-8 (50 overs)
India: 234 all out (39.2).
South Africa won by 17 runs.

SOCCER

FRENCH FIRST DIVISION

Lens 1, Paris St Germain 2
Nantes 0, Auxerre 0

Standings: 1. Monaco 52 points, 2. Paris S.G. 48, 3. Bastia 45, 4. Auxerre 42, 5. Bordeaux 41, 6. Strasbourg 40, 7. Nantes 39, 8. Metz 39, 9. Marseille 34, 10.Lyon 33, 11.Guingamp 32, 12.Rennes 32, 13.Cannes 30, 14.Lille 30, 15.Lens 29, 16.Le Havre 27, 17.Montpellier 26, 18.Caen 21, 19.Nancy 19, 20.Nice 18.

SKIING

World Championships

WOMEN'S COMBINED SLALOM
FRIDAY, IN SESTRIERE, ITALY

1. Morena Gallizio (Italy) one minute, 25.92 seconds (44.13/41.79), 2. Marlies Oester (Switzerland) 1:26.89 (44.47/42.42), 3. Hilde Gerg (Germany) 1:28.22 (45.31/42.91), 4. Karija Seltzinger (Germany) 1:28.27 (45.86/42.41), 5. Catherine Borghi (Switzerland) 1:28.38 (54.57/42.41), 6. Sibylle Brauner (Germany) 1:28.55 (45.73/42.82), 7. Renate Goetschl (Austria) 1:28.75 (46.21/42.54), 8. Anita Wachter (Austria) 1:29.64 (46.63/43.01), 9. Miriam Vogt (Germany) 1:29.72 (46.68/43.04), 10. Florence Masnada (France) 1:29.79 (46.59/42.80).

(The women's combined downhill, called off on Thursday and Friday due to high winds and snow, was re-scheduled for 1200 GMT on Saturday. Regular women's downhill will be held at 0930 GMT. The men's slalom at 1700 and 2000 will then be the final event before the closing ceremonies.)

TENNIS

Dubai Open

FRIDAY IN DUBAI, QUARTERFINALS

Jiri Novak, Czech Republic, def. Richard Krajicek (3), Netherlands 6-2 6-2; Jim Courier, U.S., def. Wayne Ferreira (4), South Africa 6-2 7-5; Goran Ivanisevic (1), Croatia, def. Boris Becker (7) Germany, walkover (Becker injured); Thomas Muster (2), Austria, def. Christian Ruud, Norway, 6-4 6-7 (3-6) 7-5.

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

New York—Agreed to terms with RHP David Weathers on 1-year contract.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

LOS ANGELES LAKERS—Put C Shaquille O'Neal on injured list.

TORONTO—Signed F-C Oliver Miller.

UTAH—Signed Jerry Sloan, coach, to 1-year contract extension, through 1998-99 season.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NEW YORK JETS—Terminated contract of DT Marc Spindler. Failed to tender qualifying offers to DB Eric Zomalt, LB Aubrey Beavers, DT Lou Benfatte, WR Henry Bailey and Eddie Mason. Tendered exclusive rights offers to DE Bobby Hamilton, LB Chad Cascadden, CB Lance Brown, QB John Peci, K Don Silvestri, TE Tyrone Davis and FB Lou D'Agostino.

WEEK AHEAD

Sunday, Feb. 16

ATHLETICS, Llevin, France — International indoor meeting; Chiba, Japan — IAAF World Cross Challenge.

BOBSLEIGH, Calgary, Canada — World Cup 4-man event Calgary, Canada

AUTO RACING, Daytona Beach, Florida — NASCAR, Winston Cup, Daytona 500.

ATHLETICS, Chiba, Japan — men, women, IAAF, Cross Country Challenge.

Monday, Feb. 17

CRICKET, Harare, Zimbabwe — one-day International, Zimbabwe vs. India.

SOCCER, Zurich, Switzerland — FIFA, standing committee meetings, to Feb. 19.

TENNIS, Antwerp, Belgium — men, ATP Tour, European Community Championship, to Feb. 23; Hannover, Germany — women, WTA Tour, Faber Grand Prix, to Feb. 23; Oklahoma City — women, WTA Tour, IGA Tennis Classic, to Feb. 23; Memphis, Tennessee — men, ATP Tour, Kroger-St. Jude Classic, to Feb. 23.

Tuesday, Feb. 18

ATHLETICS, Moscow — IAAF indoor meet.

TENNIS, Riyadh, Saudi Arabia — men, ITF, Davis Cup, Asia-Oceania Group II, Saudi Arabia vs. Lebanon, to Feb. 20.

Wednesday, Feb. 19

SKIING, Kirchberg, Austria — men, women, FIS, Freestyle World Cup, acroski, dual moguls, aerials, combined, to Feb. 22.

SOCCER, Fresno, California — exhibition, Mexico vs. Guatemala.

Copa Libertadores 1 round, various sites: GROUP 1: Guarani (Paraguay) vs. Cerro Porteno (Paraguay); Oriente Petrolero (Bolivia) vs. Bolivar (Bolivia). GROUP 2: Emelec (Ecuador) vs. Nacional (Ecuador); Racing (Argentina) vs. Velez Sarsfield (Argentina). GROUP 3: Mineros (Venezuela) vs. Minerven (Venezuela); Univ. Catolica (Chile) vs. Colo Colo (Chile). GROUP 4: Cruzeiro (Brazil) vs. Gremio (Brazil); Sporting Cristal (Peru) vs. Alianza Lima (Peru).

Thursday, Feb. 20

AUTO RACING, Imola, Italy — Williams officials go on trial for manslaughter in Ayrton Senna death.

ATHLETICS, Stockholm, Sweden — Ricoh Indoor Tour. DN Gomes. Melbourne, Australia — men, women, IAAF, Grand Prix Class II, NEC Classic.

CRICKET, Christchurch, New Zealand — one-day International, New Zealand vs. England.

SPEEDSKATING, Innsbruck, Austria — men, women, ISU, World Cup, to Feb. 23.

BOXING, Civitavecchia, Italy — Silvio Branco, Italy, vs. Vernon Phillips, United States, 12-round bout for Branco's WBU middleweight title; Tokyo — Hiroshi Kawashima, Japan, vs. Gerry Penalosa, Philippines, 12-round bout for Kawashima's WBC super flyweight title.

GOLF, Johannesburg, South Africa — PGA European Tour, Alfred Dunhill South African PGA Championship, to Feb. 23.

GOLF, Kapalei, Hawaii — women, U.S. LPGA, Hawaiian Ladies Open, to Feb. 22. Tucson, Arizona — men, U.S. PGA Tour, Tucson Classic, to Feb. 23.

SKIING, Trondheim, Norway — FIS, World Nordic Ski Championships, to March 3.

Friday, Feb. 21

TENNIS, Taipei, Taiwan — men, ITF, Davis Cup, Asia-Oceania Group II, Taiwan vs. Singapore, to Feb. 23; Islamabad, Pakistan — men, ITF, Davis Cup, Asia-Oceania Group II, Pakistan vs. Iran, to Feb. 23.

GOLF, Sarasota, Florida — men, U.S. Senior PGA Tour, American Express Invitational, to Feb. 23.

Saturday, Feb. 22

SKIING, Garmisch-Partenkirchen, Germany — men, FIS, Alpine World Cup, downhill.

BOXING, Hamburg, Germany — Artur Grigorian, Uzbekistan, vs. Michael Ayers, England, 12-round bout for Grigorian's WBO lightweight title; Atlantic City, New Jersey — Arturo Gatti Jr., United States, vs. Tracy Patterson, United States, 12-round bout for Gatti's IBF junior lightweight title; Uncasville, Connecticut — James Toney, United States, vs. Mike McCallum, United States, 12-round bout for the vacant WBU cruiserweight title; Fort Lauderdale, Florida — Nate Miller, United States, vs. Alexandre Gurov, Ukraine, 12-round bout for Miller's WBA cruiserweight title; Frank Liles, United States, vs. Segundo Mercado, Ecuador, 12-round bout for Liles' WBA super middleweight title.

ATHLETICS, Nairobi, Kenya — men, women, IAAF, Cross Country Challenge; Athens, Greece — IAAF indoor meet.

SPEEDSKATING, Innsbruck, Austria — men, women, ISU, World Cup, to Feb. 23.

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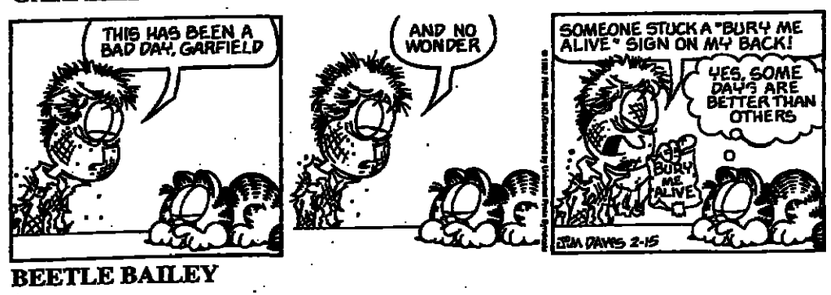

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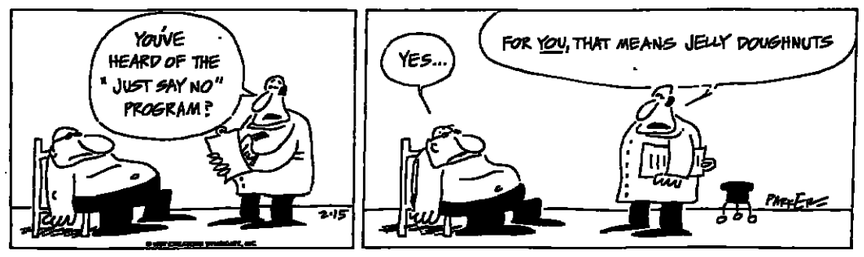

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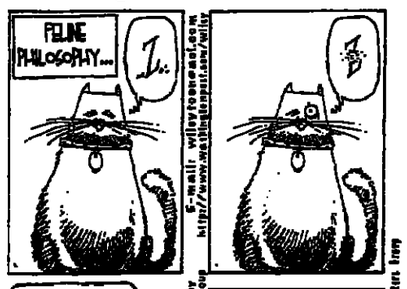

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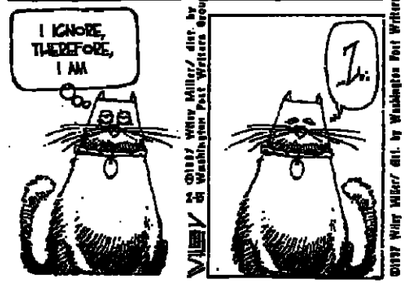


DOONESBURY

PEOPLE

If he can't play loud, **Elton John's** not playing. The rock star has pulled out of two concerts in Hong Kong to mark the end of British rule because local officials wouldn't budge on noise restrictions. They had even suggested that fans at the back of Hong Kong's 40,000-capacity open-air stadium could listen on earphones. John's agent, **Simon Prytherch**, said a noise-level "waiver was instrumental to negotiations . . . it will therefore be impossible to stage the concerts." The stadium, the only suitable venue, has a 70-decibel noise limit — paltry by the standards of the flamboyant singer. The concerts were scheduled for June 28 and 29, just before the handover from Britain to China.

□

"Words can't describe how I feel," said **Michael Jackson** about the birth of a son to his wife, **Debbie Rowe Jackson**. "I have been blessed beyond comprehension and I will work tirelessly at being the best father that I can possibly be." "I appreciate that my fans are elated, but I hope that everyone respects the privacy that Debbie and I want and need for our son," Jackson added in a statement. "I grew up in a fish bowl and I will not allow that to happen to my child. Please respect our wishes and give my son his privacy." But already, the tabloids are out for a photo. "If it's good quality, a shot of Jacko, Debbie and the baby — where we could see the baby's face — it could bring $500,000," said the National Enquirer's editor, **Steve Coz**.

□

"Star Wars" surpassed "E.T. — The Extraterrestrial" to reclaim the all-time No. 1 spot at the box office, and became the first film to break the $400 million mark. Twenty years after its initial release, and two weeks after its reissue with several minutes of new scenes, **George Lucas's** "Star Wars" has taken in $400.1 million. **Steven Spielberg**, the director of "E.T.," saluted Lucas by placing an ad in Daily Variety that read: "Dear George, Congratulations for renewing the most enduring motion picture in cinema history. Your pal, Steven." Lucas is re-releasing all three installments in the "Star Wars" trilogy. "The Empire Strikes Back" and "Return of the Jedi" come out Feb. 21 and March 7 respectively.

□

Julia Roberts got an award and a lot of attention at Harvard. "Julia, will you marry me?" a student yelled as the film star rode through campus in the back of a convertible, flanked by two Harvard men in drag. Roberts was at the school to accept the Woman of the Year award from the Hasty Pudding Theatricals group. Hasty Pudding awards are given to performers who have made a "lasting and impressive contribution to the world of entertainment." **Mel Gibson** is to be honored next week as Man of the Year.

□

Alan Parker, the director of the film "Evita" who was snubbed in this year's Oscar nominations, says the movie's reception in Argentina is what really matters. "This is the most important country for me," he said. "I hope everybody likes it." "Evita" premieres in Argentina next week. During filming last year in Buenos Aires, Parker and his cast were given a frosty reception by some who opposed **Madonna** playing the part of Argentina's former first lady. Madonna, who proclaimed herself Academy Award-worthy for her starring role, was denied an Oscar nomination, and the film was passed over in the best picture and best director categories. It won nominations for art direction, cinematography, sound, original song and film editing.

□

David Duchovny and **Gillian Anderson** are TV's most romantic couple, Internet surfers say. The stars of "The X-Files," who play FBI agents investigating the paranormal, haven't even shown romantic inclinations toward each other, but they topped the informal poll on DirecTV's web site for the past month. Voters — more than 70 percent of them male — were presented a list of 20 TV couples spanning more than three decades. Runners-up included **Ted Danson** and **Shelley Long** from "Cheers," and **Larry Hagman** and **Barbara Eden** from "I Dream of Jeannie."

□

Whoopi Goldberg finally got to take home the burned and battered cat she fell in love with last October. Goldberg decided to adopt **Frankie** after she saw a newspaper photograph of the feline after he was rescued from a fire, looking frail, singed and with a broken leg. The cat spent months in a shelter recuperating. Frankie is not to be confused with Scarlet, the cat who heroically plucked her five kittens, one by one, from a burning building last year. Those cats were also adopted.

□

A Valentine's Day concert in Beirut by **Jose Carreras** was postponed because the Spanish tenor wants to be at his ailing father's bedside at a Barcelona, Spain, hospital. Carreras asked the organizers to delay the Friday night concert after his father lapsed into a coma, said an official at Murr TV, a private Lebanese television station cosponsoring the event.

□

Bill Cosby proved something during a television cooking demonstration — he serves up jokes better than dinner. The comedian, whose only son was slain last month, fulfilled a long-standing date to do the cooking spot on the "Fox After Breakfast" show. Cosby actually did less cooking than wisecracking while a romantic fish dish was prepared around him in the kitchen of a New York restaurant he frequents, Ennio & Michael's. "This is looking very difficult," Cosby observed. "We're talking about a person who has never really cooked before, trying to do this." "So they take two extra minutes," said one of the chefs. "And FOUR extra fish!" Cosby replied.

John Mattera/Agence France-Presse

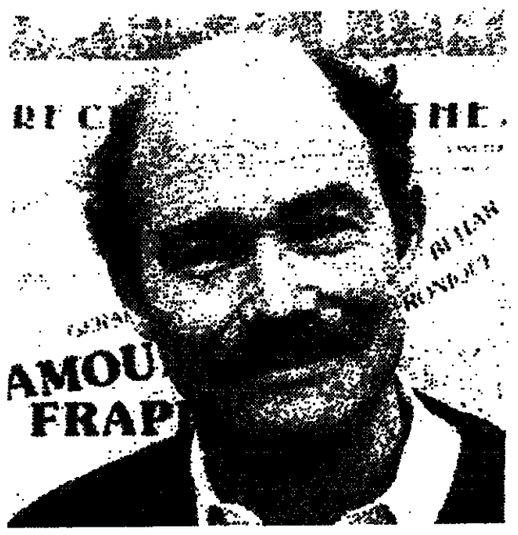
Julia Roberts riding around Harvard Square in a convertible with members of the Hasty Pudding group.

Of Smiles and Philosophy

International Herald Tribune

MARY BLUME

PARIS — His name is on a plaque in the Theatre Essaion de Paris along with such native French playwrights as Jean Genet and francophone foreigners like Arrabal and Ionesco. So Alan Rossett, from Detroit, has perhaps passed from being a struggling playwright to a consecrated one. Never, he says: "All playwrights are struggling."



Playwright Alan Rossett: Still struggling in Paris.

The problem of course is money although Rossett is deft at raising the modest sums needed to put on his plays in theaters often so small that he uses the umbrella term bijou to describe them. Early in his career when he put on a couple of plays during the pre-dinner hour in a showbiz restaurant he got the aperitif manufacturer Suze to supply free drinks; for his new play, "Pudeur et Outrage," his backers include a French brokerage firm.

In the world of bijou, as compared to commercial or subsidized theater, Rossett has a devoted following and those critics who do come praise his surreal comedies. Pinter and Lewis Carroll have also been evoked, and he has been described as the missing link in the Beckett-Ionesco-Arrabal chain. "Cocteau meets Woody Allen," said one director.

"I'm well known in the profession but I haven't entered the establishment of subsidies, which isn't that unusual. When Orson Welles was interviewed and someone very different like Gian-Carlo Menotti was interviewed, all they talked about was how difficult it was to get money. If it was hard for them, it's certainly so for me. Each time, you simply do not know."

In 1989 the magazine Les Temps Modernes (founders: Jean-Paul Sartre and Simone de Beauvoir) delivered a solemn exegesis on Rossett's absurd logic which was found *"tres anglo saxon."* And more recently he became the first American playwright to win an award from the Centre National des Lettres.

"They looked back in their archives and I am the only one," Rossett said. "It doesn't mean I'm very good but I am unique."

"Pudeur et Outrage," which Rossett calls "Bad Manners" in English, will run from March 5 to April 20 in a vaulted basement at the Theatre Essaion, which used to be part of a coaching inn and terminus in the Marais. There is room for 60 spectators, although 80 can be squashed in if necessary as Rossett hopes it will be. He describes the play as a biting comedy about "the schism that people have throughout their lives between the body and the soul, the difficulty in putting the patchwork together."

Originally the male lead was an Auvergnat, but Rossett changed him to an American expatriate returned home to Michigan. The female lead — there are only two actors — plays a half dozen roles.

"It's something I do a lot of," Rossett noted thriftily.

It is the ninth production of Rossett's company, La Tresse, and his first play in a long time to be set outside France, where he has lived since 1961.

In New York in the '50s he worked with the Living Theatre when they took over a department store, played off-Broadway and wasted about five years writing novels. "That form is not for me. I write good dialogue, I don't write good narrative and I don't understand the novel instinctively. I understand how a play should be put together, a novel no."

He hasn't been back to New York since 1974, when he saw two of his plays massacred within 10 days. "I thought I really must find a way out of this situation. Maybe I should start writing in French."

It didn't happen quite as simply as that, he admits, but it was easier than he expected. One of his early French plays took only a week to write. The joy was somewhat punctured a few years later when Rossett, going through old papers, found he had written almost the same play in English and forgotten it. "No wonder it came out so easily. I'd actually written the same play twice."

Rossett says his spoken French depends on his state of fatigue and his sinuses, and like most of us he is cute at mumbling through the distinction between masculine and feminine nouns. But writing, except for business letters, is no problem and Le Figaro described him as *"un Americain qui ecrit dans un adorable francais."*

A surreal mode, Rossett says, is natural for a playwright working in another language. "People writing in a language not their own put away the things that we don't have the historical background for and most of us are surrealist because of it."

Rossett at this point knows the Paris theater much better than New York although a 1990 play, "La Magicienne," was based on his having literally bumped into Karen Blixen in Central Park.

"It was in the '50s. She was looking at birds and I was looking at her. I thought afterwards if I hadn't run away like a young idiot she would have taken me to where she lived, she would have told me all the secrets of creation and whatnot, and that is the basis of the play."

In Paris there aren't the problems of New York or London with actors' unions; agents hardly exist and the all-powerful figure is the director of the theater where one hopes to play. Over the years Rossett has subsidized himself by doing English language versions of *son et lumiere* spectacles, by acting (he is at present playing an English colonel in a work by Celine), sometimes by dubbing films. He not only writes and directs and produces his own plays but designs the posters and often the decor and handles the publicity.

He smiles a lot and the actor Michael Lonsdale has said that his plays are full of a *"philosophie souriante."*

"Yes, the people have a lot of anguish but they usually get saved. I'm a comic writer and there are usually menaces of tragedy all over the place but they somehow do get saved.

"I believe the world is a very difficult place and one fights and I feel very lucky in terms of where I could have been born and the millions of people who have suffered. The fact that I haven't always been able to get my plays on and that I'm not a world-famous celebrity strikes me as not particularly important. I'm very lucky, as many people in this country are," he said.

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DAVE BARRY

These Are Exciting Times for Vegetables

MIAMI — Two dramatic recent developments have demonstrated, once again, why these are such exciting times in which to be a vegetable.

For openers, scientists have finally realized one of humanity's oldest dreams — creating, in the laboratory, a potato that commits suicide. If you don't believe me you should dig out your Oct. 24, 1996, issue of Machine Design magazine and check out the article on page 139, sent to me by alert reader Mark Mielke, concerning work being done by leading potato scientists in Cologne, which as you know is a city in France or Germany or possibly Belgium.

But wherever it is, Cologne contains *the Max Planck Plant Breeding Institute*, where scientists have been messing around with potato genes. Genes are little items that are found in every living thing except Senator Alfonse D'Amato. As most of us recall from biology class, a gene can be either "dominant" or "recessive," depending on which type of gene it is. With this knowledge and a pair of very tiny pliers, scientists can alter the genetic structure of a living thing, and the Cologne scientists have modified a potato so that, if it catches a fungus disease, it will cause itself to die.

The question is: Is it morally right to make potatoes commit suicide? Potatoes are, after all, living organisms that perform the same basic life functions as humans — growing, reproducing and purchasing state-lottery tickets. Can we look a potato square in its eyes and say that we have the right to "play god" this way? And once we do this to potatoes, what is to stop us from doing it to other species? Every day, in TV commercials and magazine advertisements, we see close-up color pictures of the feet of human beings who are suffering from the heartbreak of toe fungus. Are we going to start putting suicidal potato genes into these people? I hope so, because those pictures are disgusting.

We also need to give serious thought to the issue of radicchio. I don't know about you, but I hate it when I order a salad, and instead of some nice, green lettuce, I get these scrawny sprigs of radicchio, which is Italian for "tastes so bad that even a starving goat spits it out." If we're going to make ANY vegetable suicidal, this is where we should start.

□

But enough about killing vegetables. What about the other side? What about the issue of HEALING vegetables, specifically tomatoes, through prayer? This issue recently was the subject of an experiment, which I absolutely swear I am not making up, conducted by Jay Ingram, who does a science show on the Discovery Channel on Canadian TV.

According to newspaper articles sent in by several alert Canadian readers, the experiment involved six tubs of tomatoes, some of which had been punctured and infected with tomato blight. Some of the tomatoes were visited by healers, who, according to Ingram, directed "healing thoughts" toward them. The public was also invited to "think powerful healing thoughts when the tomatoes are periodically shown on your TV screens."

The results, according to the show's World Wide Web site — http://www.stemnet.nf.ca/(tilde)yliu/tomato.html — were as follows:

"In the three tubs that had good thoughts sent to them, the average size of the wound was virtually the same as the wounds on the tomatoes in the control group. However, of the three tubs of tomatoes prayed for, one tub was interesting in that the size of the wounds was the smallest of the six tubs. What is the explanation for this? Is it simply *biological variation*? Or, *is there* something else at work here? More tightly controlled experiments would need to be conducted to explore this outcome."

So there you have it: A definite "We don't know" from the groundbreaking Canadian tomato-prayer experiment. The Web site does not say what happened to the tomatoes, but it would not surprise me in the least to see them on TV advertising their new psychic hot line.

Meanwhile, all this research has aroused my scientific curiosity.

I'm going to go conduct a tightly controlled experiment to see what happens when you put ketchup on fries. Pray for me.

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Love Letters and Kisses From the Heart of Texas

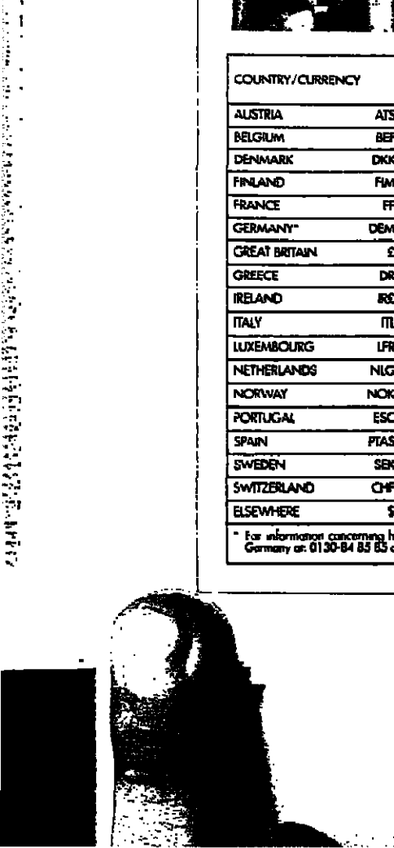
By Sue Anne Pressley
Washington Post Service

VALENTINE, Texas — There is only one paved street here, and the old adobe houses are browned by the wind and sun. Sometimes the lone restaurant is open, but more often it is locked and dark. The cars whiz by on Route 90, always headed someplace else.

Maybe it is true that Valentine — population 200, including the donkeys — does not seem like one of the world's romantic hot spots. But tell that to the postmaster, Maria Carrasco, whose one-room post office has been deluged with 30,000 Valentines sent to obtain a hearts-and-turtledove postmark. On this holiday, like no other, Valentine gets to shine.

The red and pink evelopes pour in from Denmark and Dallas, Panama and Paris, Texas, New Zealand and New York City. Next door at the Valentine Grocery, the only store within 30 miles, clerk Andrea Beare sells homemade greetings from "the little town with the big heart." Over at the elementary and high schools, where the school colors are of course red and white, none of the 65 students are present today — in Valentine, this is an official holiday. "Oh, it just keeps getting bigger and bigger," said Mayor Jesus (Chuy) Calderon, 46, who is called upon this time of year for numerous radio interviews about the romantic nature of the town and its citizens. "We do have two Lovers' Lanes in town. One is over near the water tank out behind the bushes, and the other's on the other side of the railroad tracks. The deputy sheriff does patrol."

If not for Valentine's Day, Valentine might well have no claim to fame. The trains that gave this town its reason for being — and its name — no longer stop here, just rumble through, sounding their lonesome whistles as they cut through the mountains and the ranchlands. It was on Feb. 14, 1882, that the Southern Pacific Railroad crew, building east, reached this site and, for a time, the town was a shipping point for local cattle ranchers. But now it is filled with railroad retirees, and the children of Valentine, once they finish school, have little choice but to leave. For those who remain, however, there is much to appreciate. "You can leave your car unlocked and actually come back and find an automobile," said Alex Arnold, who retired here from El Paso. "There's never any smog and the stars sparkle so much at night, you feel like you can reach out and touch them," said Ruth Clark, 63, who calls herself the town nurse.

"We're all closely related, or real good friends," the mayor said. One of the two town council members is also his uncle. Calderon summed up the town politics this way: "Nobody wants to run against me. Once in awhile, a brave soul says he will and I say, 'You don't need to. I'll give it to you.' But they always back down," he said, rather regretfully.

In 1983, Doris Kelley, the former postmaster, began hand-stamping a few Valentines with a special heart-shaped postmark, and after a few well-placed television features on the little town, jumbo envelopes began arriving in early February each year, filled with cards to be stamped and sent on their way. The record year came in 1994, with 39,000 pieces of mail. Now the local schoolchildren design the Valentine stamp each year, and celebrities as varied as O.J. Simpson and Chelsea Clinton can expect a Valentine from Valentine.